FINANCIAL TIMES
PUBLISHED IN LONDON AND FRANKFURT
No. 28,031 Friday November 30 1979 ***20p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Pts 60; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EIRE 20p

NEWS SUMMARY

GENERAL

Pilot blamed for jet crash

The pilot of the New Zealand DC-10 which crashed in Antarctica, killing all 257 people on board, made a "substantial error in navigation," according to the director of the recovery operation.

When the aircraft ploughed into the slopes of Mount Erebus it was "on the wrong side of the volcano," said Roy Thomson, chief of the Antarctic division of New Zealand's Department of Scientific and Industrial Research.

The crash was the third fatal DC-10 accident this year. Seven Britons were among the dead.

Drug probe

Allegations that White House Chief of Staff Hamilton Jordan sniffed cocaine at a New York discotheque are to be investigated by a special prosecutor appointed by the U.S. Justice Department. Page 4

Terrorist jailed

Desmond O'Hare, 23, wanted for questioning in connection with over 20 murders in Northern Ireland, was jailed for nine years at Dublin's Special Criminal Court on charges under the Republic's Offences against the State Act.

Pensions change

Old age pensions and other long-term Social Security benefits are to be revalued in line with price movements only, following changes made by the Social Security Bill. Back page; Parliament, Page 10; Editorial comment, Page 20

Atom man verdict

Inquest jury at Swindon, Wilts., returned an open verdict on Aldermaston atomic waste disposal worker Ken Cummins, 49, who died of cancer.

Dissident 'ill'

Wife of jailed Jewish dissident Anatoly Shcharansky said in Washington that he was very sick in Soviet prison, and could no longer read.

Mayor ends fast

Bassam Shaka, Mayor of Nablus, on the Israeli-occupied West Bank, ended a 14-day hunger strike against his detention and threatened deportation.

Church unity plea

The Pope said in Istanbul that the Roman Catholic and Orthodox Churches were to start talks on unity, and he hoped the 900-year split would be healed shortly.

Nuclear move

Director-general of the International Atomic Energy Agency said in New Delhi that there was no evidence that Pakistan was developing nuclear weapons.

£1m for watches

Watches collected over 70 years by U.S. diplomat Ferdinand Bellin were sold for over £1m at Sotheby's, London. Saleroom, Page 6

Board meetings

Chess grand master and Soviet defector Victor Korchnoi challenged MPs and a peer to simultaneous games at the Commons and quickly defeated them. Lord Lever, former Labour member for Manchester Central, lasted longest—about 50 minutes.

Briefly . . .

Three Royal Marines were hurt in a bomb attack in County Fermanagh.

At least eight people were killed and 12 wounded in clashes between Left and Right extremists in Kayseri, Turkey.

Flights at Orly airport, Paris, were held up when a blaze threatened the main terminal.

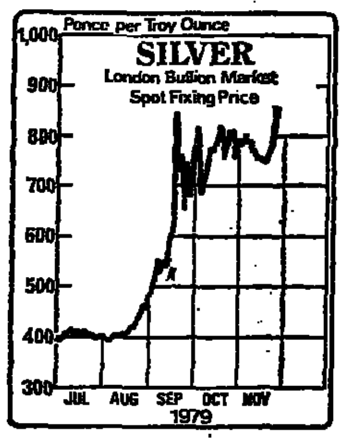
BUSINESS

Equities rise 6.0; Gilts ahead

● EQUITIES continued upwards on BP's third-quarter results. The FT 30-share index closed six points up for a three-day gain of 15.8 to 422.9.

● GILTS shorts went ahead on conviction that the new near-short tap would soon be exhausted. Gains stretched to ½. The FT Government Securities Index closed 0.02 down at 64.52.

● SILVER was fixed 24.35p an ounce higher in London at 853.8p (U.S. 1,850 cents).



● GOLD fell $0.50 in London to close at $409.

● DOLLAR weakened further against main currencies, closing at DM 1.7390 (DM 1.7465); SwFr 1.6210 (SwFr 1.6360); and Y248.90 (Y249). Its trade-weighted index fell to 86.3 (86.6). STERLING was strong, closing at $2.1530 ($2.1[illegible]); trade-weighted index at [illegible] (69.3).

● WALL STREET was up 3.76 at 834.22 shortly before the close.

● WORLD AIRLINES are to seek immediate approval from their governments to link air fares automatically to fuel price rises. Back Page

● CHINA and the UK signed a five-year agreement to co-operate in modernising China's 31,000-mile rail network. Page 6. China's foreign trade rose in the first 10 months but imports exceeded exports by $1.6bn (£735m). Page 5

● GAS industry has turned away three times as much new business in the past seven months as it has taken on. Page 8

LABOUR

● CHRYSLER workers at Linwood rejected a strike call when told that industrial action might mean closure. Page 9

● BRITISH Steel Corporation wants to open talks with unions to agree further large cuts in iron and steelmaking. Back Page

COMPANIES

● SEARS Holdings has taken over Wallis Fashion Group, which runs 80 dress shops, for £3.7m. Back Page

● DEGUSSA, the West German precious metals and chemicals concern, expects a better operating result for 1978-79 and expects increased sales in the first half. Page 29

● BROWN BOVERI, the Swiss-based engineering group, is expected to exceed SwFr9bn (£2.5bn) turnover in calendar 1979, compared with SwFr8.1bn last year. Page 29

● FINANCIAL TIMES is planning to publish in Monday's issue a 24-page survey entitled *Investing Worldwide*. It will examine the far-reaching implications of last month's decision by the British Government to end all exchange controls following 40 years of restrictions, as well as the opportunities — and the pitfalls — to investors.

Iran moves to sue U.S. London banks for frozen funds

BY JOHN EVANS AND DAVID MARSH

The economic conflict between Iran and the U.S. expanded yesterday as Iran's central bank took action to sue American banks in London to release Iranian funds frozen by President Jimmy Carter.

The central bank—Bank Markazi—was in the process of issuing writs yesterday on several U.S. bank branches in London.

Chase Manhattan Bank is believed to be among the first to receive a writ in a major move by Iran to test the legality of Mr. Carter's freeze in courts outside the U.S.

The legal action came amid signs of a deepening rift between the U.S. and Governments and banks in Europe over the U.S. freezing of Iranian assets.

Mr. William Miller, the U.S. Treasury Secretary, mounted a vigorous defence yesterday in London of the blocking action, and suggested that none of America's allies would be "shallow" enough to help Iran resist the freeze.

But Herr Hans Matthoefer, the West German Finance Minister, strongly denounced Morgan Guaranty's action on Wednesday to block Iran's 25 per cent stake in Fried Krupp, the West German steel and engineering group.

In Frankfurt executives of Dresdner Bank, West Germany's second largest bank, warned that the confrontation between the U.S. and Iran could lead to totally unnecessary deterioration of international capital currency markets.

Issue of the writs in London had been foreshadowed earlier by Mr. Ali Reza Nowbari Bank Markazi governor.

He said in Tehran that he planned to sue Bankers Trust in London for allegedly appropriating $68m from the Central Bank's account in the City without authority following the order by Mr. Carter to freeze Iranian deposits in US banks.

Mr. Nowbari said that an equal amount was owed to Bankers Trust by Iranian banks, now nationalised, and private institutions in Iran.

He claimed to have received a letter from the U.S. bank dated November 15—the day after the U.S. Presidential order—stating that in terms of the order it had debited the loans to the Iranian Central Bank's account with the Bankers Trust Company.

Mr. Nowbari said that the bank had no right to call up the loans and no right, without a court order, to debit the central bank.

Most Iranian debts to foreign banks, he said, were the result of dealings by the deposed Shah and his family. He claimed that other foreign bankers would try to follow the move by Bankers Trust.

"They are using the order to cover their own dealings with international plunderers. This is my accusation and I'm ready to prove it anywhere they want," said the 32-year-old Governo

It is understood that the writs from Bank Markazi, issued on behalf of the Iranian Government, will seek to release Iranian funds frozen by U.S. banks in London. A substantial portion of Iran's $8bn of assets now blocked is believed to have been on deposit with U.S. banks in London.

The writs will also seek to test the U.S. bank's action in "setting-off" their own Iranian loans, repaying the credits from official Iranian deposits which they hold.

Citibank, Chase Manhattan, and Bankers Trust, among other and Bankers Trust, among others, have already used this device.

The Bank of England already confirmed in a recent statement the primacy of British banking laws over all banks in Britain.

But in the U.S. legal opinion has been given that under American law the Presidential freeze does extend to U.S. bank branches and subsidiaries abroad.

Feature, Page 20
Bonn reaction, Page 4

Big rise in BP's profits to £562m in third quarter

BY RAY DAFTER, ENERGY EDITOR

RISING CRUDE oil and refined product prices bosted British Petroleum's third quarter net income to £562m.—six-and-a-half times its profits a year ago.

The results, the latest in a series of bumper profits reported by international oil corporations, bring BP's net income in the first nine months of this year to £1.184bn, 305 per cent up on last year. Sales and operating revenue was £16.2bn against £12.9bn in the first nine months of last year.

Once again BP pointed out that its true performance was distorted by the application of the first-in, first-out method of stock evaluation for accounting purposes. On this basis BP's return on capital employed is 24 per cent for the first nine months of this year. Recalculated on a last-in, first-out basis BP's net income is seen to be £509m, giving a 15 per cent return on capital.

HOW OIL COMPANY PROFITS HAVE RISEN

	Net income for first nine months of 1979	Increase on same period in 1978
	(£ million)	(%)
British Petroleum	509*	74*
Royal Dutch/Shell	1,348*	69*
	($ million)	(%)
Exxon	2,930	53
Mobil	1,436	81
Standard Oil of Calif.	1,335	73
Standard Oil (Indiana)	1,184	38
Texaco	1,150	119
Gulf	956	74

* Adjusted to Last-in, First-out basis of stock evaluation.

Source: Industry estimates based on published figures. U.S.-based companies, in the main, publish figures on a LIFO basis. Adjustments have been made in published figures to take account of such aspects as exchange rate fluctuations which are treated differently in the accounts of various companies.

Another factor in BP's results was the increased contribution of its U.S. affiliate, Standard Oil of Ohio (Sohio) in which it now *has a 53 per cent stake. Record* production levels from the Prudhoe Bay oil field in Alaska and higher prices were largely responsible for Sohio's contribution to BP's income in the nine

Continued on Back Page
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Plan to repay loans in silver

BY PAUL CHEESERIGHT

THE BIGEST silver producer in the U.S. is to raise loans of up to $300m which will be repaid not in cash but in silver.

Sunshine Mining's idea is that an investor's initial loan *will be valued in silver at near* current prices. But when the time comes for repayment, the investor will receive the originally agreed amount of silver, probably in the form of one-ounce silver coins, regardless of the price at the time.

During the period of the loan the investor will receive *interest in cash*, but at a level appreciably lower than the prevailing rates.

The plan was disclosed in London yesterday by Mr. Michael Boswell, the Sunshine president, as silver prices reached a new peak. On the London bullion market, silver for immediate delivery was fixed at 1,866 cents (853.8p) an ounce.

If the scheme works, it will open up new possibilities for *financing mining* company expansion. The idea of linking money to metal is new to the mining industry, although it has been tried in the oil business—the Mexican Government has sold notes backed by barrels of oil.

The first test of investors' reaction to the silver-backed loans will come from European institutions. Mr. Boswell is having talks this week about the possibility of a private *placement which would raise* between $25m and $75m.

Sunshine may offer the loans *publicly later on, but details of* the plan are not yet complete. The first decisions on its execution, including presumably the period of the loans, will be made in the New Year.

The company links the scheme to the acquisition of new silver properties. "The issue only makes sense if it's used as an acquisition currency," Mr. Boswell said.

Mining News, Page 24
Silver price, Page 31

Thatcher spells out EEC demands

Buy Guy de Jonquieres in Dublin

MRS. MARGARET THATCHER *yesterday spelled out her de*mands for a reduction in Britain's net contribution to the EEC budget to restore its payments next year to a "broad balance."

She told other EEC leaders on the opening day of their summit meeting in Dublin that, although estimates of the exact *size of Britain's contributions* varied by £180m, she was prepared to discuss a solution covering only the lowest figure.

Problems

Reporting Mrs. Thatcher's speech, Lord Carrington, the Foreign Secretary, emphasised *that, although* she remained firmly determined to achieve an equitable settlement, she approached the negotiation in a positive spirit and did not intend to provoke an EEC crisis.

The Prime Minister said: "I must leave you in no doubt about the great political problems at home caused by the budget question. If any other country was in the same position, it would be making the *same case with the same force* and conviction and it would be expecting the same response as we are today."

If no solution were found at this week's meeting, the Government would find it hard to explain to the British people.

It remains uncertain, however, whether Mrs. Thatcher's hint of slight flexibility will be enough to draw a response from the eight other Governments, none of which appears prepared to consider a solution capable of reducing Britain's contribution by more than one-third of next year's anticipated total.

Estimates of Britain's net contribution in 1980 vary, according to the European Commission's own figures from just under £1 bn to about £1.18bn.

Average

Mrs. Thatcher's speech to her fellow heads of Government made it clear that Britain was basing its case for a significant reduction on the need to raise British per capita receipts from *the Community to the Com*munity average.

She pointed out that the Nine would in 1980 receive an average of 59 units of account per head of population, while Britain would receive less than half—28 units of account.

Dublin Diary, Page 2

Rhodesian truce may be agreed today

BY BRIDGET BLOOM AND MICHAEL HOLMAN

ALL-PARTY agreement on a conditional ceasefire in the Rhodesian guerrilla war seems imminent and could be announced today following a meeting between Lord Carrington, the Foreign Secretary, and the leaders of the Patriotic Front guerrilla alliance.

The agreement would pave the way for negotiations between Salisbury and the Patriotic Front on the details for implementing the ceasefire.

These talks will cover critical areas such as the disposition of forces during the ceasefire, the ceasefire dates, the deployment of British and Commonwealth "monitoring" troops and the monitoring role of neighbouring African states.

But, *though the implementa*tion talks could be tough, conference officials do not think they are likely to prove an issue on which the 12-week negotiations could founder.

The first and second stages of the conference agreed on a constitution for an independent Zimbabwe and arrangements for a two- to *three-month transition*. Full agreement on the ceasefire would almost certainly signal that an overall Rhodesian settlement was within days of being achieved.

The implementation of that settlement could start as soon as next week with the despatch of a British governor to take com*plete control of the former rebel* colony for a transition period leading to elections and the installation of an independent government.

Cautious

Signs that Britain and the Patriotic Front could be near agreement followed this week's series of bilateral meetings between Lord Carrington and Front leaders Mr. Robert Mugabe and Mr. Joshua Nkomo. The latest meeting was yesterday morning, before Lord Carrington left for the EEC summit in Dublin.

The Patriotic Front said after *the meeting* that agreement was "imminent" provided the disposition of the rival armies *during the ceasefire could be* worked out.

But a much more cautious note was struck in public when Mr. Mugabe was quoted as saying: "We cannot pretend that we are close to agreement."

This remark was later elaborated by an official Front spokesman, who said agreement might seem nearer than it was because there were very few issues dividing the two sides.

But those issues, he said, were "very fundamental." They principally concerned inequality in the proposed disposition of forces which could leave those of the Patriotic Front in 15 assembly areas, which the Front have labelled "death camps," while the Salisbury Government *forces would be in at least* 80 bases, many of which were strategically placed near towns and transport routes.

The Front is also concerned about monitoring arrangements for the Rhodesian Air Force, which is a major factor in the war with the guerillas.

It was not clear last night whether the Front expected the question of disposition to be agreed now or in talks after *agreement in principle* is reached on the overall plan.

Neither the British nor the *Patriotic Front gave* press briefings after yesterday's meeting, thus breaking with normal procedure. British officials remained cautious, declaring the situation "critical."

Lord Carrington will return from Dublin this afternoon to meet the Patriotic Front leaders in the hope of receiving a *positive response.*

If there is agreement, officials seem to envisage direct talks between Salisbury and Patriotic Front military and political leaders on the practical implementation of the ceasefire. Such talks could last "a few days."

The possibility is being held out that an overall agreement could be signed next week by all parties, including Bishop Abel Muzorewa, the Zimbabwe Rhodesia Prime Minister, who would be expected to return for the ceremony from Salisbury.

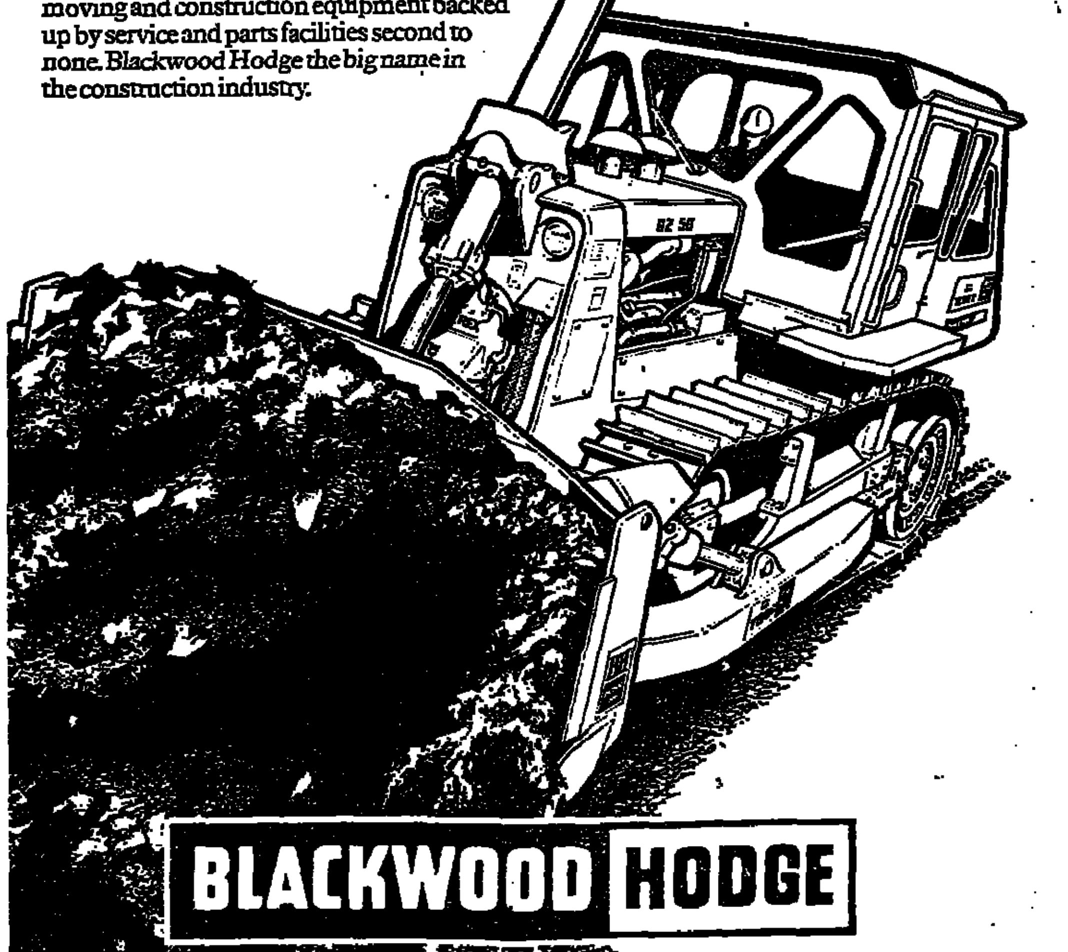
Preliminary arrangements for the ceasefire are already underway with the arrival in Salisbury of a four-man British military reconnaissance team.

Senior British election officials are also in the Rhodesian capital, apparently making advance preparations for the commission which will oversee the general elections planned to be held under the authority of the governor.

Progress towards unsettlement, Page 4
Editorial comment, Page 20

£ in New York

—	Nov. 28	Previous
Spot	$2.1760-1770	$2.1575-1585
1 month	0.70-0.65 dis	0.65-0.57 dis
3 months	1.55-1.48 dis	1.48-1.39 dis
12 months	4.98-4.88 dis	5.25-5.05 dis



CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Excheq. 11¾pc 84	£87⅝	+ ⅛
Allied Colloids	130	+ 5
Assd. British Foods	82	+ 3
Blue Circle	240	+ 6
Burton Warrants	78	+ 6
Carr's Milling	75	+ 5
Cramphorn	425	+ 28
Estates and Agency	102	+ 8
GUS A	352	+ 12
Gordon (Luis)	45	+ 3
Hay's Wharf	110	+ 5
Kode Intnl.	212	+ 14
Lee Cooper	232	+ 16
Lucas Inds.	222	+ 6
ML Holdings	180	+ 7
Marley	76	+ 4
Mercantile House	155	+ 17
North Brit. Props.	129	+ 6
Prop. Reversionary	120	+ 6
600 Group	57	+ 4
Sotheby's	385	+ 10
Stylo Shoes	195	+ 13
Tarmac	197	+ 8
Tomatin Distillers	173	+ 5
Tongaat Corogroup	98	+ 8
Tunnel B	308	+ 20
Turner and Newall	121	+ 4
Unitech	216	+ 12
Wholesale Fittings	420	+ 20
BP	386	+ 8
Anglo Utd. Dev.	180	+ 10
Bougainville	114	+ 7
BH South	190	+ 18
Geevor Tin	145	+ 10
Gld. Fld. S. Africa	£26½	+ ½
Northgate	365	+ 35
Southern Kinta	190	+ 15
FALLS		
Coral Leisure	56½	— 5½
Wearwell	48½	— 2¼
Siebens (UK)	346	— 8

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Bundesbank aims for 5-8% money supply growth

BY GUY HAWTIN IN FRANKFURT

WEST GERMANY'S Bundesbank council yesterday announced a 5-8 per cent money supply growth target for the 12 months to the end of September next year. This is slightly tighter than the 6-9 per cent goal set for the past 12 months.

Dr. Otmar Emminger, retiring president of the West German central bank, said that the new target does not represent a more restrictive policy. The widely defined money supply, M3, grew during the last target period by between 6.5 per cent and 7 per cent.

He said that the Bundesbank's goal—set at a meeting attended by Herr Hans Matthoefer, federal Finance Minister, and Count Otto Lambsdorff, federal Economics Minister — would allow sufficient scope for real growth of about 3 per cent in the West German gross national product next year.

At the same time, it was hoped that the target was sufficiently tight to restrain price rises next year. Dr. Emminger said that inflation this year was expected to average 4.5 per cent, and for 1980 the aim was to reduce it to 4 per cent.

Whether the Bundesbank aimed for the upper or lower limits of the target band in its monetary policy would depend on development of prices, economic performance, the inflation rate and the course of the Deutsche Mark on the foreign exchanges, he said.

Dr. Emminger emphasised the uncertainties facing the economy next year which could arise from further oil price rises. The foreign exchange markets could also cause problems but, he pointed out, the dollar had shown considerable stability during the past couple of months and the Bundesbank had made no significant intervention in the market since October 2.

But he issued a caution to the Government, employers and trade unions. He said that the Bundesbank was well aware that policies aimed at fighting inflation and under-pinning growth could only be successful if they had the same goals. These had to be reflected in public expenditure and wage settlements.

He refused to give a precise target for settlements in the forthcoming round of wage negotiations. However, he endorsed the advice given by the Government's Council of Economic Advisers—the five wise men—who last week recommended that pay rises should be kept close to last year's 5 per cent levels.

Jonathan Carr adds from Bonn: The increase in the West German cost of living expressed at an annual rate may have reached its peak this year, according to provisional figures released by the Federal Statistical Office. They show an increase this month of 5.7 per cent against November last year, the same as the annual rate recorded for October.

The trend in inflation this year has been ever higher, with the 5 per cent mark first surpassed in September. Reasons include the sharp price increases in imported oil and raw materials, a rise at mid-year in value added tax and, not least, the particularly low figures last year with which the 1979 results are being compared.

The average inflation rate for this year is likely to be about 4.5 per cent. Roughly the same figure is expected for 1980, but with a declining trend in the second half.

A familiar picture of Britain's begging bowl

EEC SUMMIT IN DUBLIN

THERE IS not a little irony, as well as sense of déjà vu in the fact that Mrs. Margaret Thatcher should be demanding a better EEC budget deal from her Common Market partners in Dublin.

This is the second time a British leader has visited the Irish capital, aggressively tendering the begging bowl. The last time was when Mr. Harold Wilson attended the European summit almost four years ago and re-negotiated terms of the UK's Community membership.

The main achievement of that meeting was the notoriously complicated "corrective mechanism" whose subsequent failure to limit the UK budget payment is at the root of the current impasse.

The venue for the summit is historic Dublin Castle. It does not look like most people's idea of a castle, being a haphazard accretion of six different architectural styles.

But the building has special significance for the Irish. As the guide-book published for the summit points out, it was for many centuries the "symbol of British rule in Ireland."

Mr. Jack Lynch, the Irish Prime Minister, is understandably not too worried about symbols of British domination these days. But he is concerned about what could happen to his country's economy if Mrs. Thatcher's budget campaign leads to a wholesale reform of the Common Agricultural policy.

The CAP is one of the pillars underpinning Ireland's recent prosperity. As a net exporter of food and with more than one-fifth of its working population on the land, Ireland has received something like £1bn since joining the EEC in 1973 and has paid out only about £100m in contributions to Brussels.

The signs of affluence are striking, and somewhat unnerving, to occasional visitors who remember Ireland as a backward economy 15 or so years ago.

Dublin shops today are brimming with luxurious imported goods and its streets filled with modern cars. Unfortunately, town planning has not kept pace with this boom and at rush hours congestion is at least as bad as in other European capitals.

EEC officials and journalists looking for shopping bargains in Dublin have been shocked to discover that prices for many commodities are comparable with those in Brussels, one of Europe's costliest cities.

Heavy reliance on imports and swingeing VAT rates of up to 31 per cent mean that a good but not lavish pub lunch costs £15 a head and wines in most restaurants start at about £7 per bottle.

A stroll before the summit: Mr. Jack Lynch, the Irish Premier (left) with Mrs. Margaret Thatcher, Britain's Prime Minister, and EEC Commission president Roy Jenkins.

All EEC summits obviously present a prime target for terrorists. In Dublin, of course, the threat of an attack by the Provisional IRA is ever present, and correspondingly rigorous security measures have been taken to protect the nine government leaders.

The airport perimeter is ringed by armed guards and access to Dublin Castle is gained only after passing through six security checks. One of these entails a body and baggage search which would do credit to Israeli airport guards.

Mrs. Thatcher arrived first at Dublin Castle, and President Giscard d'Estaing (always conscious of being the only President and head of state present) last. Mrs. Thatcher was wearing a sort-of-stone-coloured coat with a dark collar. The car count was seven dark Mercedes, a Ford Granada (Mrs. Thatcher), and a green Peugeot (no prizes for guessing).

Once the meeting got under way, the clash of diplomatic swords could be heard ringing down the corridors. Tempers flared when an official from the Elysée protested to his Irish hosts that a briefing room set aside for the British should be given over to the French.

Exhibiting a spirit for compromise which hardly seems in keeping with Mrs. Thatcher's own approach to the summit, the British graciously agreed to vacate the room. Round one to the French.

The FT Team in Dublin: Stewart Dalby, Guy de Jonquieres, Richard Evans and John Wyles.

Andalusia fights the machine invasion

BY DAVID GARDNER

A GENERAL strike which began yesterday in the Andalusian countryside seems likely to add to the Madrid Government's political difficulties and highlights the seriousness of Spain's simmering regional problems.

Andalusia, which stretches across the southern tip of the Spanish peninsula, is notable for the hunger and misery which exists alongside some of the largest and most under-exploited land-holdings in Europe.

The strike, almost obscured by simultaneous nationwide protests against government labour legislation, was called by the radical Sindicato de Obreros del Campo (SOC), the Andalusian farm-workers union, in response to the arrest of two of its leaders.

The best organised and most aggressive of the agricultural unions that sprang up in Andalusia after the death of Franco, it has been carrying out symbolic land occupations across the region for the past 18 months.

Vigorous campaign

With a claimed membership of 42,000 jornaleros or landless labourers, the union, which is linked politically to the Maoist Spanish Workers party, has also led a vigorous campaign against the gradual mechanisation of the Andalusian countryside.

In this it has had some success. Undler the cotton plan agreed in January between the Ministry of Agriculture and the two main national unions, 200 harvesting machines were due to be introduced this year, rising to 1,500 by 1983.

Militancy by the SOC has so far managed to limit the number introduced to 39, thus stemming what it regards as an intolerable loss of jobs.

There are some 440,000 jornaleros in Andalusia, 130,000 of them unemployed. "Employment," furthermore, usually means three months' work a year.

Unemployment in Andalusia is estimated to be more than 20 per cent and rising fast. It is particularly intractable now that the old safety-valve of emigration — involving more than 2m Andaluces since the Civil War — has been bottled up.

In the countryside few jornaleros are entitled to unemployment benefit. They are dependent on irregular and insufficient "community employment" funds supplied by the Government in lump sums. The original quota of Pta 17bn for this year was cut to Pta 12bn, little more than half of which has been handed over.

In the most depressed areas these funds are needed to prevent actual hunger. The thermometer of social conflict rises alarmingly at the end of each month when the money runs out or simply does not arrive.

The Government has responded by reactivating a 1973 law governing the expropriation of "manifestly underused land." Rising labour costs and frequent distortion of the market caused by the government agricultural prices policy are two explanations for the vast expanses of underused, or abandoned, but rich land in Andalusia.

Land owners

Sr. Paco Casero, secretary-general of the SOC and the inspiration behind its recent campaigns, points out that there is no inventory of land ownership later than 1932.

In addition, the Government admits that it does not have the funds to apply the programme wholesale.

The Government has put pressure on some landowners to try to ensure labour-intensive cultivation of the land, but this cuts across the long-term trend of its policy.

For example, the Industry Ministry pays a 45 per cent subsidy to farmers buying cotton harvesters, and a Pta 1.5 bonus for each kilo of cotton harvested mechanically.

The logic of the SOC's opposition to mechanisation is very simple: "We're not against progress," says Sr. Casero. "We're simply for jobs. Mechanisation will cease to be a problem once the land of the few."

Further conflict seems unavoidable as the black olive—used for producing olive oil—is harvested in the coming months. Several landowners have already placed orders for machinery while the SOC is hammering its message that "the machines are not neutral, they're stealing your livelihood," with increasing success.

Gloomy observers on all sides predict the most serious clashes to date.

Dutch control consumer credit growth

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH Central Bank's monetary controls have succeeded in curbing the growth of consumer credit and of housing mortgages in the first nine months of this year.

Consumer credit growth was sharply down, while the number and value of mortgages granted fell, according to Central Statistics Office figures.

New mortgages granted on all forms of property fell by 20 per cent to 241,100 in the first nine months, down 12 per cent in value to Fl 45.1bn (£10.7m).

This was partly due to the limits on bank lending imposed by the central bank in 1977, aimed primarily at taking the heat out of the housing market.

It was also due to the reaction of the market to several years of sharply rising house prices. Over the past two years, prices have stabilised and even fallen in some areas.

The central bank's credit curbs are being discussed with the commercial banks. A decision on whether they will be continued next year, and in what form, is expected within the next few days, the central bank said.

This year, the central bank has restricted the growth of bank lending not financed by long-term borrowing, to 8 per cent, with an extra percentage point growth allowed to the smaller institutions.

The banks expect curbs to continue into next year, though the small banks, notably the foreign banks in the Netherlands which do not have a large deposit base, want to be given greater leeway.

f0 etaoin shrdl cmfwy vbgk vq

The volume of consumer credit granted in the first nine months increased by 1.5 per cent to Fl 6.8bn (£1.6bn) compared with the same period of 1978.

Allowing for repayments, the total of outstanding debt rose 13 per cent to Fl 13bn compared with a 22 per cent increase the year before.

The Statistics Office attributed this largely to the central bank's consumer credit controls which took effect in April. These set a maximum growth of 8 per cent for the six months to the end of September.

Commercial and co-operative banks increased lending by just under 7 per cent and savings banks by almost 8 per cent. Finance companies increased consumer lending by more than 9 per cent, though the average for all institutions was within the central bank's limits.

Dutch employers and unions will meet for a third round of talks tomorrow aimed at reaching a wage agreement for 1980, despite little prospect of a detailed accord, spokesmen for the two sides said. But the broad outlines within which talks can continue on an industry and company basis might be set, they added.

Banks reopen in Ireland

BY STEWART DALBY IN DUBLIN

IRELAND'S FOUR main clearing banks reopened for business yesterday afternoon after an industrial dispute.

The 12,000 members of the Irish Bank Officials' Association agreed in a secret ballot to accept an improved pay offer. They had been refusing to handle sterling transactions because they felt they were not adequately recompensed for the extra work involved in Ireland's membership of the European Monetary System.

The bank staffs have now accepted a lump sum payment of £700. This

ENI affair threatens Cossiga

By Rupert Cornwell in Rome

THE ALLEGED scandal behind the 7 per cent commission paid by ENI, the state-owned Italian energy group, on its direct oil supply deal with Saudi Arabia this summer, is adding to the acute difficulties faced by the minority administration of Sig. Francesco Cossiga.

A string of Parliamentary defeats this week has underlined the Government's lack of authority, already undermined by wholesale disagreements among the parties over its 1980 Budget proposals. The ENI affair has brought the uncertainties close to boiling point.

Magistrates investigating claims that a sizeable part of the total $115m commission has been earmarked for certain Italian political quarters, this week again interviewed Sig. Giorgio Mazzanti and other senior ENI executives.

Yesterday, Sig. Siro Lombardini, the Minister of State Participations, to whom the ENI board is technically responsible, told the Parliamentary budgetary committee that, while he had no evidence of any of the money finding its way to Italian middlemen, such a possibility could not be ruled out.

The special committee session is the most visible pointer to the political stir caused by the ENI affair. It was called in the wake of general dissatisfaction at the incomplete statement by Sig. Adolfo Sarto, Minister for Relations with Parliament.

Sig. Sarto had confirmed that a 7 per cent commission had been paid, but defended it as in line with current practice. No Italian link existed with Sophilau, the Panamenian financial company to which the commission was channelled, he said.

Whether or not a scandal exists, the way in which the allegations have come to light has added to a conviction that the affair is a political attack on a faction of the Socialist Party, with which Sig. Mazzanti is identified.

It is also apparently a manoeuvre aimed at shifting the equilibrium within the ruling Christian Democrat Party.

However, many observers are worried at the undermining of the position of Sig. Mazzanti himself, at the head of an agency on which Italy is dependent for oil supplies.

Current forecasts indicate that around 20 per cent of the country's requirements for 1980 have not yet been covered. ENI's deal to directly import 12.5m tons of Saudi crude between 1979 and 1981 was the first to be agreed to by Petromin, the Saudi State company, but any discrediting of ENI could impair its ability to secure similar arrangements

French unions stage national protests

BY DAVID WHITE IN PARIS

FRENCH TRADE unions staged demonstrations in Paris and other French towns yesterday, calling for a shorter working week, better basic wages and more union rights.

The protests, organised by the main Left-wing unions, coincided with further outbreaks of industrial unrest—train stoppages, heavier disruption to air traffic, and a revival of the steelworkers' complaints, which had threatened to build up into a major political problem earlier this year.

Paris underground rail services were interrupted yesterday, while railwaymen at the Gare de Lyon, the main station serving the south-east, renewed a strike on suburban lines.

Air traffic controllers, who have been staging unofficial action for five weeks, have stepped up their campaign by refusing to handle some foreign flights over French air space. The affected flights are from airports in West Germany, Holland, Italy and Switzerland.

The dispute, which has up to now involved temporary bans on take-offs, has so far cost French airlines more than $40m. Air France says it has lost FFr 120m (£13.4m) in revenues this month, while the main domestic carrier, Air Inter, puts its losses since the beginning of the strike at FFr 45m.

Steelworkers employed by Usinor, the biggest French producer, have been occupying a plant at Denain in northern France since Tuesday.

This follows the distribution of more than 1,600 transfer notices. The plant is one of those affected by the French Government's steel plan, involving the loss of 21,000 jobs in the industry.

These cuts are mainly being undertaken in the form of early retirement, retraining for other jobs, or voluntary redundancy, for which the state is offering FFr 50,000 per worker. The protest movement at Denain is so far limited to the Communist-led CCT, which has failed to rally other unions.

Polish seminars raided

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH authorities have embarked on a campaign to stop the unofficial Society of Academic Courses from holding lectures and seminars.

The move against the Society, which was set up in January 1978, and aims to cover subjects not included in official university courses, is likely to increase tension between Poland's independent-minded intellectuals and the leadership.

Since the beginning of this month, police have been searching flats where seminars were to have been held, detaining lecturers and taking students' names.

In only one case did a lecture take place, but the speaker, Mr. Wladyslaw Bartoszewski, and the tenant, Mr. Piotr Naimski, were later fined Zl 5,000 (£65) each for conducting an illegal meeting. This is the first time the authorities have risked arousing public opinion by acting against a lecturer, many of whom are well-known figures.

Right set to gain in Iceland poll

BY JON MAGNUSSON IN REYKJAVIK

ICELANDERS GO to the polls on Sunday and Monday to elect a new Althing (Parliament) and to replace the three-party Left-wing coalition Government, which collapsed over economic issues in mid-September.

The Right-of-Centre Independence party, sole opposition during the previous Government's 13-month reign, stands to gain most from the election, according to the latest opinion polls.

The party is campaigning under the slogan "Blitzkreig against inflation." According to the Statistical Bureau the cost of living rose 16 per cent during the past three months alone, and on an annual basis by 51 per cent. The ever-increasing inflation which has plagued the country over the past few years is now so serious that it has brought the economy almost to a standstill.

It is difficult to foresee what sort of a coalition will govern Iceland after the poll, but Mr. Geir Hallgrimsson, leader of the Independence Party, could have first chance to try forming a government next week.

Latest opinion polls show the party adding six or seven seats to its 20 seats in the 60-member Althing. The Communist - influenced People's Alliance stands to lose three of 14 seats, and the Social Democrats, who form the present interim government, five out of 14. The centrist Progressive Party is forecast to gain one or two seats to add to its 12.

Economic issues have so dominated the tough campaign, that the ever-popular question of the NATO base at Keflavik has failed to make much impact.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centres.

EUROPEAN NEWS

EAST EUROPEANS QUEUE FOR CARS

A long road to get behind the wheel

BY LESLIE COLITT IN BERLIN

Although the Communist countries have trebled their car production in the past 10 years, prices have continued to rise, and East Europeans have to wait as long as ever to get delivery of a car.

An analysis of Comecon's motor industries by the German Institute of Economic Research shows that greatly increased purchasing power and the export to the West of one in every nine cars has created a Western car manufacturer's dream in which car production in some Comecon countries is already sold for the year 1990.

Last year the Soviet Union, Poland, East Germany, Czechoslovakia and Romania produced 2.1m cars, of which 231,000 were exported to the West. Low-priced East European cars captured a record slice of the British market, and the Russian-built Lada even managed to gain a toe-hold of nearly 0.5 per cent of West German car sales last year.

Consumers in Eastern Europe, however, have to save for years before paying the full price of a car. The West Berlin institute has calculated that the average Soviet citizen has to save 41 months of his income to afford a Lada. An East German has to save 20 months' income for the same car, a Czechoslovak 25 months, a Hungarian 30 months and a Pole 39 months to buy the equivalent car, the Polski 125.

The Lada which sells for DM 8,000 (£2,600) in West Germany takes just over three months of the average wage of a West German worker.

The cheapest car sold in Eastern Europe is East Germany's tiny fibreglass Trabant, with a two-stroke engine. It takes eight months of an East German's income, while the Soviet Union's least expensive car, the Zaporozhets, takes 26 months of Soviet wages.

One factor making cars difficult to buy in the Soviet Union is that 30 per cent of the 1.3m cars produced in the country were exported to other Comecon countries and the West, but no cars were imported.

At the end of last year, the institute says, some 13m cars were registered in the seven European Comecon countries, an average of 35 cars per 1,000 inhabitants. East Germany had 143 cars per thousand, followed by Czechoslovakia with 129 cars, while the Soviet Union and Romania shared last place with 19. By comparison, West Germany had 350 cars per thousand population in 1978.

Right-wing alliance tipped to win in Portugal

BY JIMMY BURNS IN LISBON

BARRING A last-minute upset the right-wing Democratic Alliance of political parties will come out top in the Portuguese general election on Sunday. But the real question is whether the Alliance will be able to secure the number of votes it needs to form a working majority.

The five-month-old coalition brings together two leading parties, the Social Democrats and the conservative Christian Democrats. They fought the 1976 election separately, but their combined total of the votes then equalled 40 per cent of the total poll.

The alliance also embraces the small Popular Monarquist party. Although they polled less than 1 per cent of the vote in 1976, the Monarquists have a number of highly qualified technicians, particularly in the agricultural and environmental fields, who would almost certainly be included in a future government line-up.

Because of a proportional representation electoral system and a decision by the three parties to present joint lists in Sunday's poll, the Alliance is virtually assured of achieving more votes than its nearest rival, the Socialist party.

Not even the most optimistic Socialist believes his party will improve on its 1976 performance, when it won 35 per cent of the vote. The unpopularity of two years of Socialist government and the inability of the party to define an identity for itself could lose it votes both to the Alliance on the Right and to the orthodox Communist party on the Left.

The Alliance will need to increase its share by at least 4 per cent to secure a majority of 126 deputies in the 250-seat assembly. Its leaders have said repeatedly that they will not form a government with anything less than an absolute majority.

Equally the Socialist and Communist parties have rejected any coalition with the Alliance. This means the Alliance will effectively have lost the moment it fails to win a majority. An alternative might then be, as the Socialist leader Dr. Mario Soares has predicted, a return to minority government, in which the Socialists as the single party with most support rule for the next few months with tacit support from the Communists.

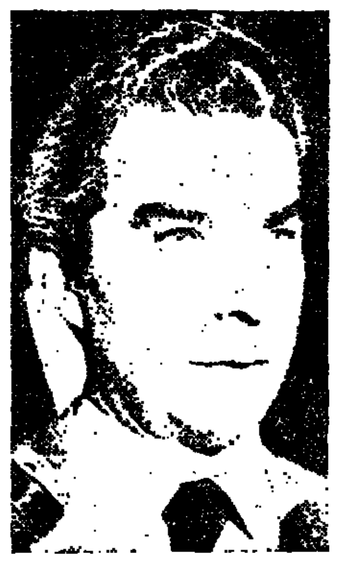
Alliance officials, stimulated by what they regard as a very successful campaign, are confident they will win comfortably.

By concentrating on door-to-door contacts and carefully prepared TV appearances, they have brought a north European style to a southern European country previously saturated by posters and graffiti. At the same time its three leaders — Francisco Sa Carneiro (Social Democrats), Diogo Freitas do Amaral (Christian Democrats) and Luis Ribeiro Telles (Monarquist) — have whistle-stopped through practically every village and town in the country.

In contrast to the 1976 election, when right-wing parties stuck mainly to traditional strongholds in the north, the Alliance has devoted the bulk of its campaign to penetrating areas previously dominated by the Left. In the last week of the campaign, the Alliance held massive rallies in Setubal, Evora and Beja, the three main towns of the Communist-controlled Alentejo. Its leaders are hoping their bravado has earned them widespread support as well as headlines.

The opinion polls are significant for what they don't predict rather than for what they do. According to the latest forecasts, as much as 40 per cent of the country remains undecided, and the Alliance's fear is that a great number of Portuguese will simply choose not to vote on Sunday.

The worry is well-founded. Between the 1975 constituent elections and the 1976 election, abstention doubled to 16.7 per cent. In the municipal elections the same year, 35.4 per cent of the country did not vote. The energetic campaign by the Church urging the citizen to vote may nevertheless ensure a large turnout.



Sr. Francisco Sa Carneiro: whistle-stop tour.

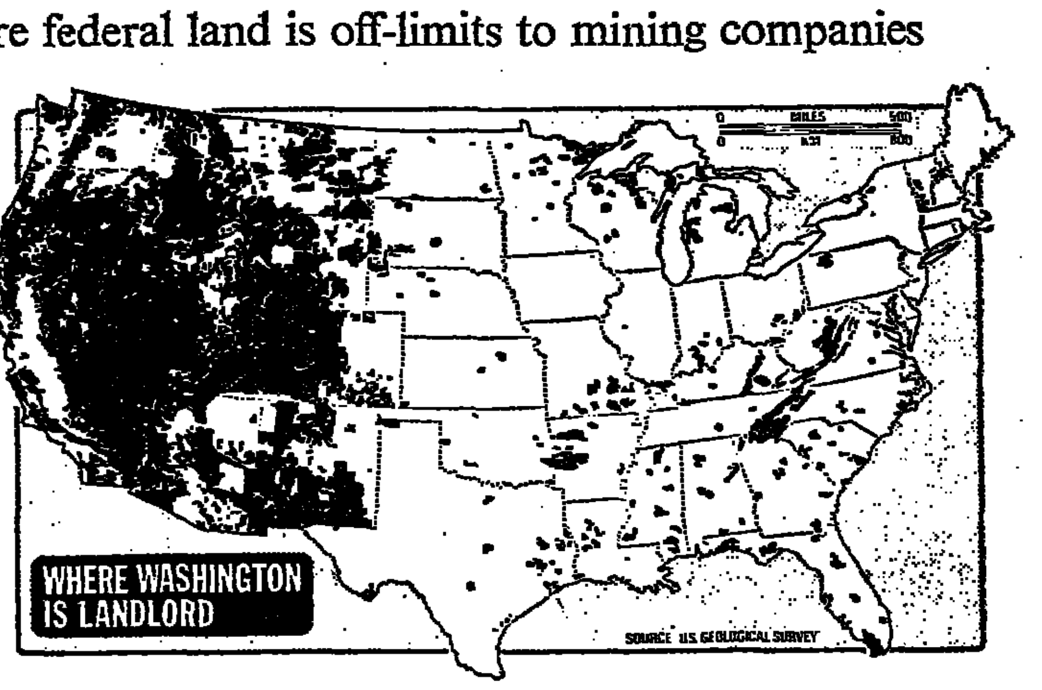
Ironically a greater obstacle to an Alliance victory could turn out to be the unusual clarity of its self-definition. The coalition has left the voter with little doubt that it not only means what it says, but that what it says represents the most radical set of proposals since the revolution.

The Communist party, which is confident of improving on the 14.5 per cent of the vote it secured in 1976, claims that this is a recipe for confrontation. But the Alliance is gambling that the electorate is in the mood for a change, in spite of the risk of instability which that implies.

AMERICAN NEWS

More and more federal land is off-limits to mining companies

Forbidden territory tempts U.S. miners



BY PAUL CHEESERIGHT

WITH increasing but unavailing fervour, the U.S. mining industry is developing its campaign for easier access to the great tracts of land owned by the Federal Government but put aside for purposes other than mineral exploration and development.

For over a century these publicly-owned lands have provided mining companies with their main source of wealth by yielding a steady stream of rich deposits. In 1977, the last year for which figures are available, nearly a third of the total value of U.S. non-fuel mineral output came from federal land.

Now the continued exploitation of this wealth is becoming a matter of inconclusive debate. Different concerns and demands are producing a steady flow of legislation converting significant parts of this land into protected national parks and wilderness areas or putting it to military and other uses.

At the same time the mining industry is looking for additional areas to prospect and exploit. As a result it now sees itself as being frozen out from some of the country's greatest concentrations of mineral wealth.

Certainly the amount of land involved is so vast that the way in which the federal Government in Washington defines the patterns of land use is crucial to the industry. One-third of the total land area of the U.S., about 760m acres, is owned by the federal Government. Roughly half this holding is in Alaska, a special case for both the mining industry and the Government; most of the remaining 380m acres is in 11 contiguous western states, which constitute the key mineral belt of the U.S.

"Determining how much of the burden of future mineral requirements should rest on the public lands, and how this burden will be balanced with the competing uses of those lands, is extremely difficult. Anything approaching a consensus on this matter is lacking," noted a report prepared for President Carter's domestic policy review of non-fuel minerals.

But the mining industry starts its search for a consensus in a weak position to claim preferential treatment in land use.

"Public lands nearly equal in size to all the states east of the Mississippi have been locked up and placed off-limits to minerals exploration and development," contends Mr. J. Allen Overton, president of the American Mining Congress (AMC), the industry body.

AMC surveys have revealed that in the U.S., excluding Alaska and Hawaii, half of the mining districts for 14 important minerals "lie in areas with major regulatory constraints." Other estimates have suggested that anything between 40 and 66 per cent of all federal lands are closed to the mineral industry.

Theoretically, the Mining Law of 1872 confers the right to look for minerals on federal lands and, when they have been found, the right both to claim title to them and to exploit them. But the practical conditions have changed since the days Washington wanted to open up the West and gain itself some extra revenue.

The pressures which have caused legislators to put some federal lands beyond the reach of the mining industry have mostly come from the environmental and conservationist lobbies. But according to the Congressional Office of Technology Assessment, "the resultant collection of laws contain duplicative and often conflicting provisions, significant gaps in coverage, and non-uniform treatment of physically identical tracts of land."

In short, few people know where they stand, least of all the federal land managers who have to deal with the mining industry. The true extent of land withdrawn from use by the mining industry is not known.

All this has led the industry to pitch a large part of its argument for freer access at the strategic level. Starting from the assumption that minerals self-sufficiency is of itself desirable, it points to the growing import bill. Because the industry is in a straitjacket, it contends, the U.S. now imports 20 per cent of its copper, over 75 per cent of its nickel and virtually all its cobalt, chromium and manganese.

The question of access to the public lands may nevertheless achieve a greater political importance through the so-called "Sagebrush Rebellion." This is a move by some political leaders in the country's western states to wrest control of the federal lands from Washington.

The legal prospect looks forlorn — the states ceded all rights to the land when they became members of the Union. But a build-up of political pressure based on discontent with federal land management could open the way for the mining industry to make its voice heard and become a more powerful competitor in the struggle for the land.

$1.9bn bid in offshore sale

NEW ORLEANS — Oil companies bid a total of $1.9bn for the right to drill on federal tracts in the Gulf of Mexico, the second highest amount ever bid in a gulf lease sale.

Counting unsuccessful bids, the companies bid $4.7bn on Tuesday, far surpassing the $2.4bn and $3.3bn bid at the two Gulf lease sales last August and December.

The most active company at the sale was Atlantic Richfield, a high bidder on 17 tracts.

The two most expensive individual tracts both went to groups including Tenneco. The top bid of $143.7m by a partnership of subsidiaries of Mobil and Tenneco, was for a tract in shallow water near the mouth of the Mississippi river.

"We think that's really in the heart of some of the best oil country offshore," said Mr. Philip Oxley, senior vice-president of Tenneco Oil Exploration and Production.

Another active company was Exxon, which won several high-priced tracts. In all, Exxon won seven tracts for a total of $245.2m.

AP-DJ

AMERICAN NEWS OVERSEAS NEWS

Senators adopt tough changes to Chrysler Bill

BY IAN HARGREAVES IN NEW YORK

Chrysler's chances of winning a workable financial aid package from the U.S. Government receded yesterday when the key Senate Banking Committee decided to base its approach on a Bill which will almost double the funds the company has to raise from private sources.

The committee voted by 10 to five to consider a Bill which will require Chrysler to raise $2.75bn in order to trigger $1.25bn in Government loan guarantees. This contrasts with the Carter Administration's Chrysler Bill, which the committee has rejected by implication. This would have offered $1.5bn in guarantees, on condition that Chrysler raised a similar amount under its own steam.

The Banking Committee draft Bill, which was supported by all Republican and over half the Democratic senators on the committee, will also require Chrysler workers to accept a three-year wages freeze or to be prepared to see the proceeds of their recently won 33 per cent three year award go into Chrysler stock.

Although it is too early to predict the final shape of any Chrysler Bill—the committee was expected to continue bargaining for several hours following the initial vote—the Senate formula looks extremely black for Chrysler.

The ailing motor company has maintained throughout its efforts to win support in Washington that it would have considerable difficulty raising the $1.5bn required by the Administration's Bill.

To raise $2.75bn, the company would either have to bite into its core business for asset sales or persuade workers to accept a wage freeze. The United Autoworkers' Union has said it will not consider renegotiating its Chrysler contract, although the employees stock participation concept provides at least a basis for further bargaining.

Chrysler's bankers, who have said they will not put further unsecured funds into the company, will also be under more pressure under the terms of the committee's draft bill, but they are likely to go on resisting.

When the Senate Committee completes its drafting session, the Bill will pass to the full Senate for debate and vote at the same time as the House of Representatives is considering a Bill from its banking committee which closely resembles the Administration's Bill.

If the House and Senate back widely differing Bills, as now appears likely, there will be a further horsetrading session at which a compromise Bill will be sought. The compromise Bill will then have to be ratified by both Houses.

Drug inquiry goes ahead

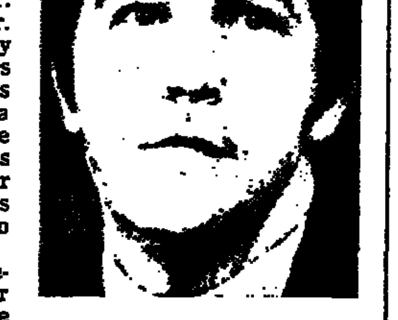
BY OUR U.S. EDITOR

A SPECIAL prosecutor is to be appointed to investigate charges that Mr. Hamilton Jordan (right), chief of the White House staff and President Jimmy Carter's political right-hand man, took cocaine at a New York discotheque last year.

The action was taken by Mr. Benjamin Civiletti, the Attorney General, under the new Ethics in Government Act. This requires the appointment of a special prosecutor unless the Attorney General determines that charges against a senior public official are so baseless and unsubstantiated as not to warrant further investigation.

It does not, however, prejudge Mr. Jordan's guilt or innocence. Nevertheless, some embarrassment is bound to accrue to President Carter as a result.

There has been speculation, which the White House has roundly rejected, that if a prosecutor were appointed Mr. Jordan might be obliged to step down temporarily from his job, and presumably dissociate himself from any role in President Carter's re-election campaign.



Interest rate change expected

By David Lascelles in New York

THE FUTURE level of the U.S. prime rate, which is currently split at three levels between 15¼ and 15¾ per cent, could be decided by whatever action Citibank takes today, money market observers believe.

Citibank, the largest New York bank, usually sets its prime on Friday morning according to a formula based on the cost of wholesale funds. As of yesterday this formula called for a prime of 15¼ to 15½ per cent, down from Citibank's current prime rate of 15¾ per cent.

Although Citibank does not always adhere to its formula, it was widely expected that the bank would cut its prime rate.

Citibank's move is likely to set the pace for other major banks, most of which have been reluctant to go down to the 15½ per cent set by Bankers Trust and most regional banks, let alone the 15¼ per cent set by Chase Manhattan on Tuesday. Morgan Guaranty did, however, cut its broker loan rate from 15½ per cent to 15 per cent yesterday.

Canadian Government jumps gun

By Victor Mackie in Ottawa

THE CONSERVATIVE Government in Canada has already printed and next week will post 15m income tax forms containing the highly controversial mortgage tax credit programme which MPs are still debating in Parliament.

Mr. Walter Baker, the Leader of the House, told an astounded Opposition that the Government had no choice but to send the forms as if the legislation had been passed. MPs would be asked to vote on the mortgage Bill next Tuesday.

He explained that officials required time to print and process the forms so that taxpayers could receive their refunds in the spring.

"This does not presume passage of the Bill, but if the Opposition continues to block its passage, the Department of National Revenue will be forced to mount an intensive publicity campaign to inform taxpayers," Mr. Baker told the Commons. Tax refunds might be delayed.

Opposition spokesmen immediately accused the Government of attempting to "blackmail" them into passing the Bill.

U.S. productivity drops by 0.7%

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THERE was no relief from the dismal American record in productivity in the third quarter of this year, according to revised figures issued by the Administration yesterday.

The Labour Department now calculates that in the July-September period productivity, or output per man hour, declined at a real annual rate of 0.7 per cent. Earlier estimates out last month had pointed to a minimal 0.1 per cent increase.

This marks the third consecutive quarterly decline in this measurement. It means that in the third quarter unit labour costs, an amalgam of productivity performance and wages, rose at an annual rate of 9.6 per cent.

The overall figures, however, mask the fact that one sector of the economy did rather well. In manufacturing, productivity went up at an annual rate of 3.3 per cent.

There are innumerable reasons for the decline in U.S. productivity, which has been progressive over the last decade. They range from the changing composition of the labour force, particularly the influx of women, to the impact of Government regulation.

They also take account of the basic shift towards a services-based economy. The decline in spending on research and development has also clearly been a major factor.

It is universally agreed that no easy solutions exist—though the political attraction of seeking to reduce the burden of Governmental red tape is currently attracting much attention.

Bridget Bloom and Michael Holman write on progress towards a Rhodesia settlement

Key negotiations remain before ceasefire

BRITAIN'S plan for a ceasefire in Rhodesia's seven-year guerrilla war will only finally be accepted by the guerrilla leaders Joshua Nkomo and Robert Mugabe if further negotiations on key aspects are successfully concluded.

Yesterday's progress in the two-week-old ceasefire talks, which at least suggests that the momentum of the Lancaster House conference is continuing, therefore means there are still more ceasefire talks to come. While these could be as difficult as anything that has gone before, Britain obviously hopes they will not now become a make-or-break issue for an overall settlement.

So far the negotiations on the ceasefire have been the toughest of the 12-week-old settlement talks. This has been a reflection of the increasing "veto power" of the Patriotic Front, whose forces began the war and whose agreement must be obtained if the war is to stop.

Both sides have shifted ground, although the final agreement is likely to be much nearer Britain's original outline plan than to the Patriotic Front's proposals. In the ceasefire negotiations as in those covering the constitution and the interim period, the Salisbury delegation publicly accepted Britain's proposals without objection.

The key military issues still to be agreed once a ceasefire is accepted in principle include:

● The precise nature, location and numbers of the collection points and especially "assembly places" from which Patriotic Front forces will be monitored.

● The number of guerrillas who will assemble.

● The final ceasefire locations of Rhodesian forces.

● The precise period for bringing the ceasefire into operation. At the moment an undefined period will elapse between agreement and the day on which the commanders of the two forces inform their men that hostilities must cease; there will also be a gap between this announcement and the declaration of a ceasefire day. Within 7-10 days of this ceasefire date, all forces will be in their ceasefire positions and the agreed Monitoring Force will be fully deployed.

● The precise size and duties of the liaison and monitoring teams.

● The role of the Governments of Mozambique, Zambia and Botswana in monitoring guerrilla bases and preventing cross border activity.

Although some important details have yet to be agreed, the main ceasefire provisions, set out in four British documents, are:

● At a date to be agreed, both sides will cease hostilities, including cross-border operations. Unarmed persons to return to Rhodesia via designated border points.

● Both forces will come under the authority of the governor, who will be assisted by a British Military Adviser and liaison officers.

● Ceasefire Commission: Under chairmanship of Military Adviser, comprising equal numbers from both sides. Function: To ensure compliance with ceasefire and investigate "actual or threatened" breaches.

● Commonwealth Monitoring Group: At least 1,000 strong, under command of British Military Adviser. Function: To maintain contact with both sides, monitor and observe. Will carry weapons for personal protection. Will remain in Rhodesia until new government has been formed, "its authority accepted and independence has been granted."

● Location of monitors: At Rhodesian bases and guerrilla "assembly places"—numbers and locations of these points yet to be agreed. Up to 12 teams at border crossing points. "Up to 15" with guerrilla forces.

● Zambia, Mozambique, Botswana: Their governments to co-operate with liaison officers of the monitoring force over cessation of cross-border military activity, and crossing points for unarmed civilians.

● Day-to-day maintenance of law and order: In hands of existing civil police, under command of British Police Adviser and British police officers.

● In the event of "more general or sustained breaches of the ceasefire": The Governor will decide what action to take "with the forces which have accepted his authority."

The ceasefire plan rests on one overriding principle, namely the political will of the Patriotic Front and the Salisbury Government to make it work.

A British Governor will be in charge of Rhodesia for the whole of the ceasefire period, including elections. But he will have no independent force to stop a ceasefire infringement or break-down. He will have a Commonwealth force under British command, but its function will be simply to monitor the ceasefire, not to separate the combatants if they start fighting.

Moreover, the monitoring group is unlikely to be much more than 1,000 men, while Rhodesian, Patriotic Front and other auxiliary or reserve forces, all of whom will at least, in theory, be brought within the ceasefire, number well over 100,000.

The second key principle of the plan, therefore, is that the warring forces should be physically as separate as possible, and effectively confined to specific areas. In the past two weeks of negotiations this has been the major problem.

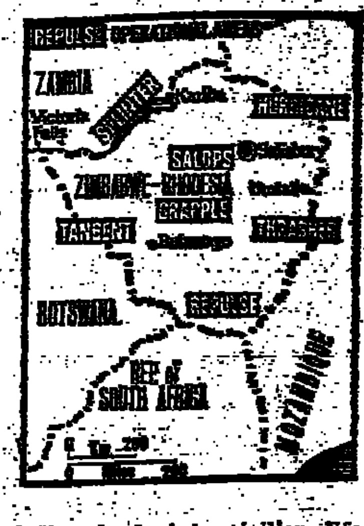
The British plan, elaborated in four separate public documents, has at no stage clearly spelled out precisely what it means, perhaps hoping to win agreement more readily or at least preserve the Governor's flexibility.

The plan's proposal that Patriotic Front forces be "collected" and then assembled into "up to fifteen" areas drew the guerrilla alliance's deep suspicion, especially as it appeared that the rival Salisbury forces would not be withdrawn to barracks or even to a specified number of bases.

Even yesterday, Mr. Mugabe described these assembly points as "death camps." The Front argues that its strength as a guerrilla movement comes precisely from its mobility. To collect guerrillas in one place therefore makes them a sitting target for a conventionally-organised army allowed to retain its strategically placed bases, transport and communications.

British insistence that the numbers of guerrillas must be established before full agreement can be achieved is also a problem. Estimates of guerrilla strengths in Rhodesia vary but certainly amount to some 25,000-30,000, with infiltration from bases in Mozambique and Zambia continuing.

A key question here is that although guerrillas who do not declare and assemble themselves will be considered "unlawful," there is little anyone can do to stop them fading back into civilian life having hidden their weapons for later retrieval.



The Patriotic Front's own plan for the ceasefire was at odds with the British on many points, including a "thousands-strong" peacekeeping force, initial demarcation of Rhodesia into guerrilla- and Salisbury-controlled areas, and an independent not British-chaired Ceasefire Commission.

The Front also wanted greater supervision of the existing Rhodesian police, whose function will be to keep the "civil peace" during an election campaign. Britain's published plans are very imprecise on this key issue, but the Front does not seem to have pushed the point.

If agreement is finalised today, it will be because the Patriotic Front was prepared to forgo many of its original demands in return for British concessions principally on the size of the Monitoring Force and on positioning of the Rhodesian forces during the ceasefire.

Pressure on China dissidents

By Tony Walker in Peking

THE CAMPAIGN against China's dissidents has intensified with meetings of factory workers calling for an official action against those putting dissident posters on Democracy Wall.

The Peking Daily reported yesterday there had been meetings at a number of factories demanding action against people responsible for wall posters criticising the Communist Party. Observers say the campaign could result in use of the wall for this purpose being banned.

The meetings followed publication on Wednesday in the Communist Party newspaper, The People's Daily, of details of a meeting of the National People's Congress standing committee, where members denounced those responsible for the wall posters.

The latest campaign against Democracy Wall carries the endorsement of the National People's Congress, China's supreme parliament.

Israelis abandon West Bank oil search

ISRAEL, which earlier this week handed over the Suez gulf oilfield to Egypt, yesterday announced it had abandoned an attempt to find oil beside Ramallah on the occupied West Bank.

The drill was started in April after a new seismic survey indicated a possible major oil accumulation in the region. The Ramallah bore was first abandoned in 1967 at 3,000 metres and again 1,500 metres further down. This time the drill stuck when it was nearly 6,000 metres down and all efforts to dislodge it failed, writes David Lennon in Tel Aviv.

Pakistan tribunal jails journalist for a year

A Pakistani journalist, Mr. Salamat Ali, 45, correspondent of the Hong Kong-based Far Eastern Economic Review, was yesterday sentenced in Rawalpindi to one year's rigorous imprisonment by a one-man military tribunal after being found guilty on four charges of writing an article considered inflammatory and detrimental to Pakistan. The tribunal sat for two days. Reuter reports.

Israel to reorganise its land forces

MR. EZER WEIZMAN, Israeli Defence Minister, said yesterday Israel has decided to reorganise its land forces under a joint command to be set up to improve co-ordination and efficiency. He said the new command will be in charge of planning for all the front-line field forces, including armour, artillery, infantry, paratroops and engineering. It will be headed by Gen. Israel Tal, who devised the plan, writes our Tel Aviv correspondent.

Shots heard at Kabul palace

Gunfire was heard on Tuesday morning at Afghan President Hafizullah Amin's official residence, recently placed under tighter security with a contingent of Soviet soldiers, according to reports from Kabul yesterday, AP reports from New Delhi. It was the first reported incident at the People's Palace since a shoot-out in September

Bonn shocked by Iran assets move

BY JONATHAN CARR IN BONN

WEST GERMAN Government and business authorities have reacted with shock and strong disapproval to the action of Morgan Guaranty Trust Company, the U.S. bank, in moving to freeze Iranian assets in enterprises in the Federal Republic.

It is feared the step could bring a chain reaction with serious consequences not only for German-Iranian relations, but for the international banking system.

In Frankfurt, officials criticised Morgan Guaranty, for freezing Iran's assets in the Krupp group and sought to assure Tehran they had nothing to do with the move.

Herr Hans Matthoefer, the Finance Minister, and Count Otto Lambsdorff, Economics Minister, deplored the suit by Morgan Guaranty.

Herr Matthoefer asserted that the West German Government had not been consulted about the U.S. bank's intention to sue for attachment of the Iranian assets, in a court in Essen. The Government learned of the court action only after the suit was filed, he added.

Herr Matthoefer also stated that Morgan did not seem to have a legal claim against Iran, because the interest due on a $500m (£232m) loan managed by the Chase Manhattan Bank of the U.S. had been paid, though somewhat delayed.

Chase Manhattan recently declared the $500m credit in default and Morgan, as a *member of the lending consortium*, sued to attach the Krupp interest as the first step in an action to recover its $40m share of the credit.

"We don't like companies involved in matters that affect our national policy," Herr Matthoefer said, while Count Lambsdorff remarked that he did not think the legal action was a danger to the free flow of capital.

It was a sign of free capital flow, the Economics Minister said; when funds could move unhindered across borders.

Leading German banks, such as Dresdner, which are involved in business with Tehran, say they have no cause to take legal action against the Iranian authorities.

They fear that the freeze of the Iranian stake in Krupp *might be only a first step, to be followed by efforts by other* U.S. banks to do the same to Iranian assets held by German and other credit institutes.

This, they believe, would bring an "avalanche" of claims and counter-claims. The overwhelming judgment is that in the present situation in Iran it is best to do nothing which might make matters worse.

Beyond these immediate fears is a broader German concern—that the blocking of Iranian assets in the U.S. and the efforts by Tehran to force a cut in the international role of the dollar may bring increased movement into the D-Mark.

The Bundesbank has long complained of the problems such movements bring for its efforts to control money supply and inflation. It is felt one of the effects of the Iranian crisis could be to increase this problem and hasten the rise of the D-Mark's reserve role.

Tehran to sue Bankers Trust

BY OUR FOREIGN STAFF

THE REPERCUSSIONS of the Iran-U.S. monetary conflict continued to spread yesterday. In a move which could become a test case for American banks, Mr. Ali Reza Nowbari, the new Iranian Central Bank governor, said he plans to sue the U.S. bank, Bankers Trust Company, in London, for appropriating $68m from the Central Bank's account "without authority."

Bankers Trust's action followed President Jimmy Carter's freeze on Iranian assets in the U.S., Mr. Nowbari added. Some $68m was owed to the U.S. bank by Iranian banks now nationalised and by private institutions in Iran.

The fast pace of events in Iran has blocked the settling of all issues arising from the nationalisation measure five months ago.

Mr. Nowbari claimed to have a letter from Bankers Trust, dated the day after the Presidential order, stating that, in terms of the edict, it had debited the loans it was holding to the Iranian Central Bank's account with Bankers Trust.

In New York, Bankers Trust confirmed it had undertaken the action which, it said: "We continue to believe . . . was proper in every respect." It claimed it was acting in the same way as had previously been announced by other American banks.

The West German reaction, the first major European statement since the crisis broke, was matched by similar expressions of caution over the U.S. action from Japan.

Bankers said many European and Japanese banks, wary of being caught up in the conflict, are reluctant to come out on the side of a general default declaration.

Iran this week repaid part of a $50m (£23.25m) syndicated loan made by a group of Japanese and European banks, headed by Sumitomo Bank. This has prompted banking officials to speculate that Iran and other loan payments it had allegedly suspended.

In fact, there are signs of intensive behind-the-scenes activities in London and other European centres, on behalf of the Iranian authorities and banks, to try to create some sort of system for resumption of normal financial relations, including the payment of loan interest.

Egypt losing hope of new agreement with IMF

By Roger Matthews in Cairo

THE EGYPTIAN Government has made no provision for drawings from the International Monetary Fund in its 1980 Budget, a further indication that it is losing hope of reaching a new agreement.

The last three-year extended fund facility, worth $720m, effectively collapsed three months after it was signed in the summer of 1978 when the Government breached budgetary ceilings agreed with the IMF.

Since then efforts have been made to find a basis for renegotiation, but it was eventually agreed to start again with a new agreement.

This is also now in doubt and it appears the gap between the two sides has, if anything widened.

Although the recent improvement in Egypt's overall balance of payments has in the short term reduced the need for IMF funds, the Government would clearly like the seal of approval that goes with successfully managed programme.

In drawing up its budget for next year, due to be presented to the People's Assembly in the next two weeks, the Government claims to have taken further towards fulfilling IMF requirements by trying to reduce budget subsidies and increasing Government revenues.

However, first indications are that these measures can, at best, only keep the rate of increase in the budget deficit and the critical bank-financed element of it.

Even more worrying for the IMF is the strong growth in the rate of money supply —now estimated at an annual 30 per cent.

This, combined with the failure to find a productive home for more than a small percentage of the $1.8bn flow of workers' remittances from abroad, is increasing inflationary tendencies.

The cost of subsidies during the current year will be between $1.5bn and $2bn. With world commodity prices rising, and a further 1m Egyptians being born every year, the bill could climb 15 per cent to 20 per cent in 1980.

Ministers have already ruled out any price increase in basic commodities.

Some prices are due to go up, such as petroleum, which is cheap by world standards, and other semi-luxury items.

Qotbzadeh may hold hostage key

BY SIMON HENDERSON IN TEHERAN

THE REMOVAL of Mr. Abol-Hassan Bani-Sadr as Iran's Foreign Minister might be less of a blow to Washington's hopes of securing the release of the hostages than at first thought.

The new man, Mr. Sadeq Qotbzadeh, who retained the position of head of National Iranian Radio and Television, is considered unlikely to have taken on the role unless he could see a way out of the crisis.

This might not be the speedy freedom of the 49 Americans who have spent almost four weeks as prisoners in their own embassy, but Mr. Qotbzadeh is seen as a shrewd operator and a born survivor.

The secret of his success is likely to be his closeness to Ayatollah Khomeini himself. Mr. Bani-Sadr is said to have lost Khomeini's support when he planned to go to the United Nations in New York without first checking the wisdom of this move with the Ayatollah's office in Qom.

Such a trip would have almost inevitably resulted in Mr. Bani-Sadr being pilloried by diplomats of other nations for Iran's behaviour with the hostages. Any exposition of Iran's case would either have been ignored or never been allowed to take place.

Well, over 100,000 Iranians carrying huge pictures of the Ayatollah and shouting "Death to America" marched through Tehran's streets yesterday at the start of the deepest period of religious mourning in the Iranian calendar. Speakers at a mass rally denounced the UN Security Council as a tool of the superpowers.

But the thinkers and leaders behind Iran's revolution are more sophisticated than might be imagined from the nightly television pictures of screaming mobs. They can control the mob and use it for their purposes.

The official price for the hostages is still the Shah, but there are discounts available—an international tribunal into the Shah's rule, the admission by Washington of its faults, the freezing of his personal assets and those of his family.

People who know Mr. Qotbzadeh say he will clear everything with Khomeini before he moves. His lines of action are not possible to guess but his father-son relationship with the 79-year-old Ayatollah is probably such that he could sell ideas, which, from any other member of the revolutionary council, might be rejected out of hand.

Mr. Qotbzadeh lived in Paris before the revolution, as did Mr. Bani-Sadr, but previously he had also lived in the U.S., where he attended the Georgetown Foreign Service School.

He is not a Western liberal. He is religious and often contemptuous of the West. Such characteristics also shown by others explain how the revolutionary council can remain cohesive while still having six clerics and eight laymen as members.

The split on Wednesday night, which led to the resignation of Mr. Bani-Sadr, might indicate a similarity to the basic tensions of Cabinet-like government but it can still operate as a body.

There remains the control over the hostages by the militant students, who claim to answer to Ayatollah Khomeini alone. It is thought that the revolutionary council's authority over these people has increased, albeit imperceptibly, to the point that if Mr. Qotbzadeh can deliver the goods, the hostages' safety is almost assured.

Carter still hopes to find peaceful solution

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

PRESIDENT JIMMY CARTER made it clear at his Wednesday night press conference that he believes the U.S. has by no means exhausted peaceful avenues for securing the release of the diplomatic hostages in Iran.

Answering questions at the nationally televised event — his first full report to the country on Iran — President Carter adamantly refused to set deadlines beyond which the U.S. would have recourse to military action.

Pressure is growing for the President to reinforce his warning to the Tehran regime by setting a date for such a move. A further resolution to this end, sponsored by about 50 members of the House of representatives, is soon to be introduced into Congress.

However, Mr. Carter's leading political rivals again yesterday re-affirmed their stand behind the President's policies.

The President refused to get into a public debate with Dr. Henry Kissinger, the former Secretary of State, either over the latter's role in securing the admission of the Shah to the U.S. or over what the Iranian crisis was doing to the U.S. image in the world.

Dr. Kissinger, the President said, had played no role in the decision to grant the Shah a visa, while it was "not becoming" and "not conducive to better American understanding" to get involved in a retrospective debate over Iran. In a long newspaper article yesterday, Dr. Kissinger, denying he was instrumental in the Shah's presence in the U.S., also sought to defuse his disagreements with the Administration.

Mr. Carter also went to some lengths to argue that the Ayatollah Khomeini does not represent the mainstream of Islamic thought, pointing out that every other Moslem nation, including those with which the U.S. has not had friendly relations, had condemned the Ayatollah's sanctioning of the capture of the U.S. Embassy. The U.S. was not, he said, "approaching any sort of cold war" with Islamic countries.

The President emphasised the physical abuse he said was being visited on the hostages. This, he argued, was not typical of the Moslem faith, nor of the Iranian Shi'ite sect.

"It's the misguided actions of a few people in Iran who are burning with hatred and a desire for revenge completely contrary to the teachings of the Moslem faith."

Tanzania frees Libya captives

By Our Dar es Salaam Correspondent

The last of the Libyan prisoners Tanzania captured during this year's Uganda war were released yesterday.

Diplomats here believe Tripoli may now give Tanzania a loan or offer it support in the Organisation of the Petroleum Exporting Countries over the Organisation's development fund for Third World countries.

The 47 prisoners boarded a special Algerian flight at Dar es-Salaam airport. Algerian diplomats have been acting as go-betweens in negotiations between Tanzania and Libya. Tanzania has reacted strongly against foreign press reports that it was demanding cash ransom for the prisoners.

WORLD TRADE NEWS

Record U.S. exports to Russia expected

BY DAVID SATTER IN MOSCOW

U.S. EXPORTS to the Soviet Union will reach record levels this year due largely to the substantial increase in Soviet grain imports. The need for higher grain imports results from this year's disappointing harvest.

Figures released by the U.S. embassy show that Soviet agricultural imports from the U.S. totalled $1.94bn in the first nine months of this year. This was a 24 per cent increase on the $1.56bn imported in the same period last year.

U.S. no-agricultural exports are also picking up after a bad year in 1978. They totalled $536m in the first nine months of this year, a 37 per cent increase over the equivalent period last year. This increase is attributed to deliveries of oil and gas equipment under contracts signed last year and a steady flow of small contracts in the $1m and under category. U.S. commercial sources estimate that the final value for non-agricultural exports for this year may be $700m.

Total U.S. exports to the Soviet Union were up 27 per cent in the first nine months at $2.47bn.

U.S. imports from the Soviet Union which totalled $489m in the first nine months of the year are also increasing—up 35 per cent from $361m. U.S.-Soviet trade is thus likely to top the $4bn mark in 1979.

The U.S. recently authorised Soviet grain purchases of up to 25m tonnes in the October 1979 to September 1980 buying year. The Soviets are expected to take advantage of this by importing up to 22m tonnes of U.S. grain, as well as another 5m to 7m tonnes of grain from other countries.

The final grain harvest figure for this year was 179m tones, 48m tonnes short of target. The most important limitation on Soviet grain imports from the U.S. is believed to be the capacity of Soviet ports and the internal transportation network.

The Soviets ordered 11m tonnes of U.S. grain in October and November. These orders are expected to push the value of Soviet grain imports for 1979 to almost $3bn.

AP-DJ adds from Washington: The U.S. Office of Technology Assessment, a Congressional research unit, said that the "primary obstacle" to a rapid expansion of trade between Western nations and the Communist world centres on the inability or unwillingness of Communist countries "to export on a competitive basis to Western markets."

In a report on "Technology and East-West trade," the OTA said this has resulted in a shortage of hard currency for the purchase of Western goods and technology by the Communist countries. "Credit is and will therefore continue to be a major factor influencing the growth of East-West trade," the report added.

W. Germany seeks end to illegal E. German trade

BY LESLIE COLITT IN BERLIN

WEST GERMANY has called on East Germany to see that its trade officials stop mislabelling clothing as East German merchandise when it originates in the Far East and then enters West Germany, thereby avoiding customs duty, import sales tax and VAT.

Three West German businessmen were recently sentenced to prison terms of between 20 months and four and a-half years for smuggling 750,000 South Korean shirts into West Germany as East German products. Trade between the two Germanys is free of customs duty and import taxes.

Textil-Commerz, the East German Foreign Trade Company, has provided shipping papers stating the shirts were made in the German Democratic Republic. According to the West German court in Hof, which tried the case, the East German company received an 18 per cent commission from the convicted businessmen.

West German officials note that the authorities are currently investigating 20 other clothing companies also suspected of smuggling third country products into West Germany via East Germany. The West Germans say they "will not tolerate" such practices by East Germany.

The officials note that such practices restrict trade and are the reason for the current impasse in the textile and clothing trade with East Germany. The West German textile industry refuses to talk with the East Germans about increased quotas and other liberalisation until East Germany "sees to it that trade is honestly conducted."

Trade between East and West Germany this year is expected to reach DM 9bn (£2.3bn), a nominal rise over last year's DM 8.8bn. The West Germans say trade will be roughly in balance.

East Germany's trade with other OECD countries—especially France, Italy, Japan and Austria — is rising at a much higher rate than with West Germany because of large turnkey plant contracts concluded in 1977 and last year.

The West Germans believe that, apart from political reasons, East Germany has been expanding its trade with the others because of the advantageous interest rate they offer on loans. West Germany, they note, does not wish to compete in the area of "subsidised trade" while East Germany has received DM 1bn in credits from Japan, DM 1bn from Italy, DM 900m from Austria and DM 5.3bn from France.

The only credit West Germany offers is the DM 850m annual interest-free swing credit which allows East Germany to overdraw its account by this amount to buy West German products. It is fully used each year and thus does not serve to expand trade.

● Austria and Poland have agreed in principle on a deal worth around $1.2bn (£555m) under which Austria will import Polish coal, Reuter reports from Vienna. The amount of coal involved was said to be between 1.2m and 1.5m tonnes, to be imported over a 20-year period starting in 1984.

S. Korea to double shipbuilding

COPENHAGEN — A South Korean delegate has announced that his country plans to more than double its shipbuilding capacity by 1986, reports AP-DJ.

The news came from Mr. Paeng Jong Cheol, the president of the Korean Shipbuilding Workers Union, who spoke to 150 union delegates attending this week's World Shipbuilding Conference organised by the International Metalworkers' Federation (IMF).

Mr. Cheol said that according to the Government's plan, South Korea's shipbuilding capacity would increase 1.3 times by 1981 and 2.3 times by 1986.

Mr. Herman Rebhan, the IMF secretary general, said a thriving shipbuilding industry could not be achieved if individual countries, companies and unions continued to go their own way. He called for a "powerful measure of international co-operation." and urged governments, employers and workers to join forces in eliminating sub-standard vessels.

● The Belgian Maritime Transport Authority is to buy two Boeing, jet-powered hydrofoils for the Ostend-Dover channel crossing, Reuter reports from Brussels. The two jetfoils are expected to enter service in 1981.

EEC finds Tokyo Round balanced

BY BRIJ KHINDARIA IN GENEVA

THE FIVE-year-old Tokyo Round trade negotiations were concluded in Geneva this week with the formal approval of compromises reached earlier between rich and poor countries on the main unsettled issues.

The approval by consensus of the compromises means that all countries which took part in the negotiations agree to seek parliamentary ratification of the series of accords, designed to reduce tariff and non tariff barriers, known as the Tokyo Round package.

In statements to the meeting of GATT contracting parties here, spokesmen from industrialised countries described the package as a step forward for trade liberalisation and proof of their resolve to halt protectionism.

The Common Market, which had some of the most heated arguments during the negotiations with the United States and developing countries, for the first time described the package as being satisfactory and balanced.

It suggested that a ceremony should be held on December 17 to allow all participating countries to sign the various accords in the package. But no agreement was reached on the need for such a ceremony.

Developing countries expressed disappointment at the Tokyo Round's results and called for closer surveillance of protectionist import curbs applied by industrialised countries.

Implementation of the package, starting on January 1, will be the next main hurdle. Mr. Olivier Long, director-general of the GATT trade group, said several legal problems remained to be solved to make the package effective as a means of freeing world trade.

Diplomatic sources pointed to a likely conflict between GATT's first article, which state a trade benefit offered by any GATT member must apply equally to all others, and an understanding reached in the Tokyo Round that the rights and obligations of codes in the package would extend only to the countries that sign them.

Malaysia buys DC-10

Malaysian Airline System (MAS) has announced the purchase of its third DC-10 aircraft from the McDonell Douglas company, Wong Sulong writes from Kuala Lumpur. The aircraft and spares will cost $52m (£24m). The DC-10 is to be delivered early in 1981 and is to be used on the state-owned airline's Malaysia - Europe routes.

Kenya eases rules on import deposits

BY JOHN WORRALL IN NAIROBI

KENYA'S new Government announced the relaxation yesterday of the advance imports deposits scheme, which was imposed in December last year. Under this scheme deposits have to be placed with the Central Bank for three calendar months prior to importing.

With the exception of four categories, the 100 per cent import deposit requirements have been reduced to 50 per cent.

Mr. Mwai Kibaki, the Vice-President and Finance Minister, said he has withdrawn the 10 per cent deposit requirement for oil and petroleum products and reduced the 25 per cent import deposit requirement for completely knocked down kits for motor assemblers to 10 per cent.

Cars and textiles imports will still be dealt with under the earlier guidelines of 100 per cent, six months refundable deposit terms.

Mr. Kibaki said that overseas remittance of profits and dividends would continue to be at 10 per cent of capital and unimpaired reserves.

The changes will release nearly 300m Kenya shillings (£18.5m) of the present deposit of 800m Kenya shillings held at the Central Bank of Kenya.

Hopes rise for Comecon pact

MOSCOW — A co-operation agreement between the Common Market and the Soviet bloc's Comecon economic grouping may be signed next year Mr. Wilhelm Haferkamp EEC Commission vice-president said yesterday.

Mr. Haferkamp told a press conference after three days of talks between the two sides that he was hopeful that the agreement, which has been under negotiation for four years could be concluded in 1980.

But serious differences remained, among them Comecon's insistence that trade be covered in the body of the proposed accord. These would be the subject of further negotiations, he said.
Reuter

China imports reach $12bn

PEKING—China's foreign trade surged ahead in the first 10 months of this year, but imports outweighed exports by $1.6bn (£735m).

The New China News Agency yesterday quoted the Ministry of Foreign Trade as saying that exports totalled $10.8bn from January to October, compared with imports of $12.4bn.

Exports were 41.3 per cent or almost $3.2bn higher than in the same period of 1978 while purchases from overseas were up 51.8 per cent or $4.25bn.

The agency said fairly big increases were shown in major imports, including new technology, complete plants, chemical fertilisers, insecticides and light industrial products. —Reuter

U.S. inquiry on shoes from India

WASHINGTON—The U.S. International Trade Commission (ITC) said it will hold a hearing in February in Washington on imports of footwear from India.

The Treasury Department has found that the Indian Government has been subsidising exports of leather footwear, valued at about $10m (£4.5m) a year, to the U.S. market. The ITC inquiry will decide whether the imports of the duty-free items from India are injuring domestic shoe manufacturers.

If the ITC finds such injury, U.S. countervailing duties may be assessed later on the imports from India. AP-DJ

Japanese seek more Mexico investments

BY WILLIAM CHISLETT IN MEXICO CITY

A JAPANESE trade mission, headed by Nissan Motors, will visit Mexico City December 2-11 to study the possibilities of broadening Japan's investment portfolio in Mexico.

At the moment Japan is the fourth largest foreign investor in Mexico with total accumulated investment standing at $180m (£83.3m).

Japanese officials here point out that this figure is 20 times less than that of Japan's investment in Brazil and that in a fast-growing, oil-rich economy, such as Mexico's, there is tremendous scope.

The trade team, led by Mr. Ryozo Yamazaki, the managing director of Nissan, includes the Japanese long-term credit bank, Poshiba, the electronics concern, the Japanese Industrial bank, Marubeni, one of the country's largest trading companies, and representatives from Japan's Chamber of Commerce.

The mission will meet with Government officials, particularly from the industry ministry and the Banco de Mexico, the central bank, and will also visit Mexicali, near the U.S. border, where many of Mexico in-bond plants are situated.

Japanese investment, only 4.8 per cent of total foreign investment in Mexico, is concentrated in the car and electronics industry. There is a growing interest in establishing small- and medium sized joint ventures in Mexico, particularly in energy-related industries.

Japan will start receiving oil from Mexico, a non-OPEC member, next year, but so far only a contract for 100,000 b/d has been finalised.

● Victor Company of Japan has signed a contract to supply videotape recorders to the Grupo Industrial Alfa of Mexico for marketing under the Alfa brand name in Mexico, AP-DJ reports from Tokyo. Victor officals said the contract calls for shipment of 3,000 recorders a year beginning in 1980.

● An Irish trade delegation has arrived in Mexico to broaden the scope of the country's trade with Mexico, AP-DJ reports from Mexico. The 20-man delegation, led by Mr. Desmond O'Malley, the Trade Minister, will explore the possibility of using Irish technology to extract subsoil water in arid regions and to increase Mexican imports of Irish dairy products. Total value of the 1978 trade equalled about $20m.

UK NEWS

Postal monopoly 'under threat'

BY JOHN LLOYD

SIR WILLIAM BARLOW, the Post Office chairman, has warned staff he will be in an "impossible situation" unless delivery standards improve.

In the current issue of the Post Office staff journal Sir William says efforts to improve service are being watched critically by Sir Keith Joseph, the Industry Secretary, who has called for a review of the postal monopoly.

"The unions are urging the board to defend the maintenance of a complete postal monopoly, but this means I am being asked to stand up for a monopoly while we are giving a service to the public which is below the standard we aim to achieve."

Sir William said he could only oppose critics of the monopoly if he receives co-operation in "radical changes" and an improving reliability.

Assurances

"I therefore ask all employees in the postal business to consider the present situation very carefully. If I can get a positive response from the unions and staff that the changes, which are necessary to improve productivity, efficiency and reliability, will receive their full co-operation.

"In the absence of assurances that we are working jointly to achieve the improvement necessary, the Secretary of State will doubtless wish to consider changes to the monopoly."

● The Universal Postal Union has approved price rises for international mail of up to 100 per cent in the next five years for its 158 members—a higher ceiling than in previous years.

At the same time, the union has warned there must be further rises if international postal standards are to be maintained.

The union decision is an enabling one. In practice members raise—or in the case of the U.S. lower—their rates according to their own policies and budgets.

Coral casino executives remanded

Mr. Bryan Sherley-Dale, managing director of Coral Leisure Group's casino division, was remanded on unconditional bail until February 14 by London's Marlborough Street magistrates yesterday.

He is accused of conspiring with Mr. Bernard Coral, chairman of the same division, and others, to pervert the course of justice. The conspiracy is alleged to have taken place between January 1, 1975, and November 2 this year.

Mr. Coral and 23 others will also appear on February 14, charged with conspiracy.

Shares of Coral Leisure Group fell 5½p to 56½p yesterday on news of Mr. Sherley-Dale's court appearance.

Fiat price rise

PRICES OF most Fiat cars will rise by an average of 3.8 per cent from Saturday. Examples of the increases include 126 saloon £2,070 (£2,008); 127 Palio (£3,649 (£3,534); Strada 65 CL five-door £3,778 (£3,629); 131 saloon £4,349 (£4,215).

Rail co-operation deal signed with China

BY LYNTON McLAIN

BRITAIN AND CHINA yesterday signed a five-year agreement to co-operate in the modernisation of China's 31,000-mile rail network. China has already signed a similar agreement with Japan.

Mr. Norman Fowler, Minister of Transport, said after the signing in London that the agreement referred specifically to the provision of consultancy services and rail equipment for China.

He was unable to put a figure on the exported orders for equipment, but a number of British engineering companies are likely to benefit. These include Dowty Hydraulic Units; Cowans-Sheldon of Carlisle, makers of rail cranes; GEC Traction; Brush Electrical Machines; Lucas-Girling; Metro-Cammell; Stone Platt; Vickers; Grant Lion Eagle; Henry Boot Engineering; Pandrol; Costain, Dow Mac and Thermit Welding, trackwork engineers; British Steel Corporation; Tempearture; Westinghouse; and lastly, British Rail.

The agreement was signed by Mr. Fowler and Mr. Guo Weicheng, Chinese Minister for Railways, at the end of a 16-day visit to Britain, which included talks with all the companies involved.

Mr. Fowler said the agreement was the first on railways and scientific co-operation between China and Britain. It calls for detailed co-operation on:

● A project to electrify almost 100 miles of track between Hong Kong and Canton;
● The use of marshalling yard equipment for controlling rolling stock;
● Track cranes;
● Exchange of skilled and scientific staff.

According to Mr. Fowler, Mr. Guo had already said he expected to start negotiation on "specific subjects of co-operation" under the agreement. These talks are likely to start when selected British engineering companies visit China in the New Year. The talks are likely to lead to firm orders for equipment.

In particular, the Chinese interest in track cranes is expected to lead to a joint venture between China and a British maker—almost certainly Cowans-Sheldon of Carlisle.

Mr. Ian Campbell, British Rail board chief executive for railways who visited China last year, said yesterday that he was initially pessimistic about the outcome of Mr. Guo's visit. He had thought China would be reluctant to allow outside industry to supply its needs.

However, at the end of the visit, he said the outcome was very much more positive than he expected.

A new British Rail mission —including its Transmark rail consultancy company—will visit China in February for further talks.

British Rail may also be asked to discuss the supply of containers, surburban rail systems, and coal "merry-go-round" trains, which run between power stations and coalfields.

Mr. Fowler said yesterday that he had accepted an invitation from Mr. Guo to visit China in the spring.

Trans-Siberian threat worries Government

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE GOVERNMENT is becoming increasingly worried about the competitive threat to British shipping companies from the growing use of the Trans-Siberian railway to transport goods to and from the Far East.

The Government has placed its concern on record with the Soviet authorities, said Mr. Norman Tebbit, Parliamentary Under-Secretary of State at the Department of Trade, yesterday.

Speaking at the annual luncheon of the British Shipper Council in London, Mr. Tebbit said that he was "gratified" that UK shippers had not rushed into using the cheaper Trans-Siberian "landbridge."

He admitted that many OECD countries, confronting the problem of the competitive threat of the Trans-Siberian railway had to reconcile the conflict of interest between the shippers, who wanted cheap transport, and shipowners.

On British shipping policy generally, the Minister reaffirmed the Government's commitment to "free and fair competition coupled with protection against overzealous regulation and intervention by others."

"We have reiterated to the U.S. Government our irritation and concern at the frictions which result from unilateral U.S. regulation of shipping," said Mr. Tebbit. He added: "We have endeavoured to impress, and will continue to impress, on the U.S. the value of shippers' councils; the need to allow rationalisation on sailings: and the necessity of making the most economic use of scarce shipping resources — especially oil.

"I would mislead you if I appeared to be optimistic about the outcome but I do assure you that we will persevere," said Mr. Tebbit. "We very much hope that the U.S. will come to see that an effective shippers' voice is a better counterweight to conference power than is a padded bureaucracy."

New row over ITV audience ratings

By Michael Thompson-Noel

FURTHER ATTACKS were launched yesterday on the failure of the Independent Television companies to lift their audience ratings to levels prevailing before the 10-week dispute which blacked out ITV this autumn.

The concern of advertisers is exacerbated by indications that London Weekend Television plans to follow Thames Television in adjusting its advertising rates in January, in spite of advertisers' demands for rebates and discounts after ITV's drubbing in the ratings.

In the week to November 18, the third full week since ITV's return to the air, only five ITV programmes reached the officially - monitored, national Top 20.

The prospect of rebates has been discounted by the Independent Broadcasting Authority, and ITV companies have stressed they do not levy surcharges when they attract better-than-expected ratings.

Neither Thames nor LWT have proposed absolute rate increases. According to J. Walter Thompson, Britain's biggest advertising agency: "Thames has raised its rate card potential by 30 per cent. Whether this results in higher charges to advertisers will ultimately depend on the strength of demand. For its part, London Weekend is apparently seeking to strengthen its position in terms of forward bookings."

It is ITV's ratings that are generating most concern. "They have got to build up to a respectable level once more," said Mr. Kenneth Miles, director of the Incorporated Society of British Advertisers.

"The ITV companies have got to do the utmost to win back their audiences. I don't need to spell out what Times Newspapers is doing at present to win back its readers. The ITV companies would be pushing their luck if they raised their rates before they had won back their audience."

Manmade fibre output falls

By Rhys David

UK MANMADE fibre production fell 13 per cent in the third quarter of this year to 140,270 tonnes, compared with 162,830 tonnes in the previous three months, figures issued yesterday by the British Manmade Fibres Federation show.

The fall is being attributed mainly to reduced activity because of the holiday season and output remained roughly in line with figures for the corresponding period a year ago.

Associated Weavers to sell Bradford plant

BY RHYS DAVID

THE BRADFORD carpet-making plant of Associated Weavers is likely to be split into units and sold as a trading estate. The parent group, Champion International of the U.S., has decided to withdraw from the tufted and printed carpet business.

The plant consists of six buildings with about 1m square feet on a prime site minutes from the trans-Pennine M62.

A statement clarified its decision which was announced earlier this month to management and unions. Champion claimed that for the past three years it had proved impossible to sell the company as a going concern for a sum approaching the book value.

Subsidiaries

The group paid about £40m for the company in 1973, when the UK tufted carpet industry was expanding rapidly. Subsequent over-capacity in the industry has led to a squeeze on margins and a number of closures. Last year Associated Weavers lost about £3m, including reorganisation costs and extraordinary expenditures on the introduction of new machinery.

The freehold site, which is likely to interest warehousing and industrial companies, is valued at £11m. Other assets can be realised including the plant's modern machinery.

Various subsidiaries have been sold. The PVC subsidiary, Armoride, which was bought by Bernard Wardle for £2.6m last year. The fabrics division was sold to Cope Sportswear for £1.7m.

The Associated Weavers plant employs 1,600, most of whom will lose their jobs. Some opportunities will continue in the Axminster woven carpet operation which Champion will continue. This is, however, likely to be sold when a buyer is found.

Champion said its decision to pull out had been influenced by the economic climate and the difficulties facing the UK carpet industry as a result of over-capacity, falling demand and rising imports.

The group will ensure that the rundown of operations is orderly.

Creditors were told yesterday that they will be paid in full. Talks will take place next week with the unions about the phasing of the closure. Orders will continue to be accepted and executed during the rundown.

Ladbroke's Cashcade taken over by charities

Financial Times Reporter

A NEW consortium has taken over the Cashcade lottery from the Ladbroke Group for a yet undisclosed amount.

Ladbroke launched Cashcade in January 1978 but said earlier this year it intended to hand over the scheme to a consortium of national charities. A figure of £1m for the sale was reported at the time.

The new Cashcade Charity Consortium will be made up of charities such as The Royal National Institute for the Deaf, the National Association of Youth Clubs and the National Society for Mentally Handicapped Children.

In May this year, Ladbroke suspended the issue of Cashcade lottery tickets to the Make Children Happy Charity following an argument over the charity's financial position.

About £7m had been raised by Cashcade since its launch but it did not prove to be the bonanza that Ladbroke expected, and increasing competition, coupled with fears about the future of local lotteries, persuaded the company it might be better to sell off the business.

Court told of Cyril Stein role in 'Watergate cover-up'

BY JAMES BARTHOLOMEW

A CLAIM made by Mr. Cyril Stein, chairman of Ladbroke Group, before South Westminster licensing justices last July was "so improbable as not to hold water at all," a court was told yesterday.

Mr. Brian Leary QC, representing Playboy Club, went through Mr. Stein's evidence at Knightsbridge Crown Court in summing up on the 18th day of Ladbroke's appeal against the refusal of South Westminster magistrates to renew four casino licences.

Mr. Leary referred to Mr. Stein's statement in the lower court that he had been assured there was no truth in allegations made by the satirical magazine, Private Eye. Mr. Stein had maintained that Mr. Gordon Irvine, the casino marketing director, had told him this on May 19, 1978.

But a letter of April 13 from Mr. Irvine to Stilgoes, Ladbroke's solicitors, showed that Mr. Irvine knew about some of the matters alleged in Private Eye, said Mr. Leary. Why, he asked, should Mr. Irvine tell a different story to the chairman to that which he told the company's solicitors a month before? The idea did not hold water, said Mr. Leary.

Mr. Leary described evidence about Mr. Stein's part in a "cover-up" which he likened to the Watergate scandal in the U.S. He quoted evidence given by two secretaries about Mr. Stein ordering large-scale shredding of documents.

Mr. Leary later read out Mr. Stein's evidence last July in which the Ladbroke chairman said he did not recall specifically ordering the shredding of casino files, although it was possible.

After reading further evidence given by Mr. Stein at the lower court, Mr. Leary observed that it might be apparent why Mr. Stein had not appeared again at the current hearing.

Mr. Simon Tuckey, representing the Gaming Board, maintained that knowledge of marketing activities complained of by the police had been known by the most senior executives of Ladbroke. This included Mr. Stein, he said.

The Gaming Board opposed renewal of the licences in spite of the restructuring of the Ladbroke Group said Mr. Tuckey.

He expected Ladbroke to argue that City and Provincial Gaming Holdings, the new company which operates the casinos, was "fit and proper," whatever Ladbroke might have done in the past.

Mr. Tuckey said it was against common sense, and against what Parliament must have intended, to ignore the past and future when considering the fitness or otherwise of a casino licence holder.

Even if the court did not accept this argument, Mr. Tuckey said there could be objections to the fitness of one or more directors of the new company. And there might be grounds for saying that the new company was run for the benefit of people who were not fit and proper—namely Ladbroke Group, Mr. Stein and Mr. Macadie (an associate of Mr. Stein), Mr. Tuckey added.

Lord Cole, ex-Unilever chairman, dies at 73

BY ELAINE WILLIAMS

LORD COLE, former chairman of Unilever, has died at the age of 73.

Lord Cole, created a life peer in 1965, retired from Unilever in 1969 and became chairman of Rolls-Royce from 1970 to 1972.

In recognition of his services he was awarded the CBE in 1973. During that time he was also chairman of the Trustees of the Leverhulme Trust from 1970 to 1975 and a director of Shell Transport and Trading Company 1971 to 1975.

He was a member of the International Advisory Committee to the Chase Manhattan Bank, New York, 1965-73; Correspondent Emeritus of The Conference Board, New York; chairman of the Central Office of Information Advisory Committee on Appointment of Advertising Agents, 1962-70; and president of the Advertising Association, 1970-73.

As Mr. George Cole, he joined Unilever in 1923 as a junior clerk in the Niger Company.

He was born in Singapore and educated at Raffles Institution, Singapore, and Herne Bay College, Kent.

After formation of the United Africa Company he took charge of provision buying, and later transport. He returned to London in 1939 to manage the United Africa Company's business in British West Africa Territories.

He was joint managing director of United Africa from 1952-55 and chairman of Palm Line for the same period. In May, 1956 he became vice-chairman of Unilever, and was appointed chairman in 1960.

C. W. Chapman diesel pioneer

THE LAST surviving founder-director of Perkins Engines, Mr. Charles Wallace Chapman, has died at his home at Winchelsea, Sussex.

Mr. Chapman and the late Mr. Frank Perkins jointly established F. Perkins, as the company was then called, in Peterborough in 1932 to pioneer design and manufacture of light-weight high-speed diesel engines. Mr. Chapman was Perkins first company secretary and technical director. Using a small workshop in Queen Street, Peterborough. He designed the company's first four-cylinder diesel engine, called the "Vixen," in 1932.

In 1936 he designed the first Perkins six-cylinder engine, the P6, described as "the best engine ever made for its time."

FOOD PRICE MOVEMENTS

	November 29	Week ago	Month ago
	£	£	£
BACON†			
Danish A.1 per ton ...	1,240	1,240	1,220
British A.1 per ton ...	1,220	1,200	1,200
Ulster A.1 per ton ...	1,220	1,220	1,200
BUTTER†			
NZ per 10 kg	13.60/13.77	13.60/13.77	13.20/13.37
English per 10 kg	18.07	17.67/18.07	17.67
Danish salted per 10 kg	18.75	18.75/19.06	18.35
CHEESE‡			
English cheddar	1,490/1,547	1,540/1,557	1,450
Irish cheddar	1,526.11	1,535.95	—
Danish cheddar	1,410	—	1,420
EGGS*			
Home produced:			
Size 4	4.90/5.00	4.90/5.00	3.80/3.90
Size 2	5.20/5.30	5.20/5.30	4.30/4.60
	November 29	Week ago	Month ago
	p	p	p
BEEF			
Scottish killed sides ex-KKCF	60.0/65.0	61.0/66.0	60.0/65.0
Eire forequarters	41.0/43.0	43.0/45.0	42.0/44.0
LAMB			
English	42.0/47.0	44.0/50.0	52.0/56.0
NZ PLs/PMs	51.5/52.0	—	51.0/52.0
PORK			
All weights	42.0/52.0	42.0/52.0	41.0/49.0
POULTRY			
Oven-ready chickens ...	36.0/42.0	37.0/40.0	36.0/40.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ 20-kg rindless blocks, delivered, per tonne.

Product liability directive may 'jeopardise' engineering

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

BRITAIN'S ENGINEERING industry expressed concern yesterday at some provisions in the European Commission's directive on product liability and warned it could jeopardise product development programmes.

The first meeting of the Council of Mechanical and Metal Trades (Commet)—formed to provide an effective voice for the engineering industry in Europe—was attended by nine of the 10 founder trade associations covering 50 per cent of the industry's workforce.

The council "noted with concern that, despite revision, the European Commission's product liability directive includes many provisions unacceptable to manufacturers.

"A manufacturer would still be liable for defects about which he could not possibly have known at the time of manufacture. This will put product development programme at risk while insurance premiums will soar."

Sir Peter Carey, Permanent Secretary at the Department of Industry, underlined the importance of the Commet exercise and pledged his enthusiastic support. He expressed great confidence for the industry's future provided manufacturers are able to take advantage of opportunities open to them.

The founders of Commet include major trade associations such as the Process Plant Association, Machine Tool Trades Association, Engineering Industries Association, the Conference of Engineering Trade Associations, and the Engineering Employers Federation, which provides the secretariat for Commet.

Airline to start holiday flights from Manchester

BY RHYS DAVID

INDEPENDENT airline Air Transcontinental will base four aircraft at Manchester airport from next summer as part of a move into the holiday market. About 300 jobs will be created.

The company has been supplying aircraft, flight crew, engineers and operational staff to small national airlines throughout the world.

It will carry holidaymakers booked with a number of inclusive tour groups including Cosmos, Intasun, Ellerman and Horizon Midlands, to the U.S., the Caribbean and Europe.

ACAS faces ugly choice over small union's rights, says QC

AN "UGLY" choice faced the Advisory, Conciliation and Arbitration Service in deciding whether to recommend the granting of bargaining rights to a small independent trade union, Mr. Peter Scott, QC, said for ACAS in the House of Lords yesterday.

ACAS is asking the Law Lords to overturn a Court of Appeal ruling last January that the service failed to discharge its legal duty in its handling of an attempt by the 5,000-strong United Kingdom Association of Professional Engineers to gain recognition at APE-Allen, steam turbine and diesel engine manufacturers, of Bedford.

Mr. Scott said ACAS had to choose between, on the one hand, a group of workers who said they wanted to be separately represented by the association, and on the other the arguments in favour of the established system of collective bargaining in the engineering industry and the advantages that went with it.

ACAS, he said was the "expert" body to make that difficult decision. That was the role that Parliament had given it.

The conciliation service had been set up to promote the improvement of industrial relations. What was desirable to achieve that was a matter for ACAS's judgment.

It would be untenable to say that ACAS did not appreciate the force of the arguments put forward by engineers' association, Mr. Scott said.

The problem of what to do when a group of senior professional staff felt that they were getting left behind by the strength of the great unions, which were more concerned with the lower class of workers, was a long-standing problem, not something that had come "out of the blue."

In his Court of Appeal judgment, Lord Denning had suggested it was "recognition or nothing" for the workers concerned at the Bedford company. That was clearly wrong, said Mr. Scott.

This was not a "Grunwick case." The company already recognised other trade unions. Its workers could join some other union and whether they did or not was their decision.

The hearing of the ACAS appeal is expected to last for several days. It will be followed by a second appeal by ACAS in which it will seek to challenge a Court of Appeal ruling in favour of the 45,000-strong Engineers and Managers Association.

It was ruled that ACAS should get on with the job of investigating the EMA's claim for recognition at a GEC plant, at Whetstone, Leicestershire, without waiting for the outcome of a representation dispute between the union and the TUC.

£1,095,195 for watch collection

SALEROOM

BY ANTONY THORNCROFT

WATCHES collected over 70 years by Ferdinand Belin, the American diplomat, sold for £1,095,195 at Sotheby's yesterday, in a highly successful auction with just 1 per cent bought in. Mannheimer, the Zurich dealer, was an active buyer paying £72,000, plus the 11.5 per cent buyer's premium and VAT, for a gold, enamel and pearl set oval watch made in London around 1810 by William Anthony. It's estimate was £20,000-£30,000.

Mannheimer also bought an early 17th century gold and enamel verge watch by Charles Bobinet for £44,000 and a silver and gilt metal cruciform watch of the same period made by Abraham Cusin of Nevers for £42,000. A perpetuelle by Jaquet Droz sold for £28,500.

In the 19th century European drawings and watercolours auction, the Piccadilly Gallery gave £16,800 for "The Painter Jean-Pierre Granger" by Ingres, a pencil drawing. The ending of the dispersal of the Cartier collection in Monte Carlo produced a grand total of £2,000,769, over double Sotheby's forecast.

A pair of George III yew wood commodes sold for £38,000 at Christie's yesterday, around four times forecast. The anonymous buyer will have to pay 11.5 per cent more VAT and premium. The sale totalled £456,705. Partridge Fine Art secured a George III marquetry commode for £34,000 while another of the same period attributed to Pierre Langlois, made £22,000.

At Christie's South Kensington there were some extraordinary prices paid for miniature furniture. A set made by Fred Early, who worked on the furnishing of Titania's Palace, sold for £13,036 as against Christie's £1,000 forecast. Top price was the £1,300 from a Swiss collector for a pair of ivory table globes, 4 inches high.

Edmund Penning-Rowsell writes: Christie's sequence of clarets from the private cellars of Bordeaux Chateaux continued yesterday with a range of 21 vintages of Pontet Canet and 10 of Lafon Rochet.

Six bottles of Pontet Canet '45 made £130, and a dozen of '61 went for £165. The highest Lafon Rochet price was £100 apiece for a dozen of the '55 and for two dozen halves of the '61. The total for the two properties was £5,391.

Immense pressures of a poor market force British Steel to make further cuts

THE TALKS between British Steel Corporation and GKN exploring ways for the public and private sectors of steelmaking to jointly rationalise rod and bar production have been prompted by the inexorable pressures of a poor market.

In 1976 British Steel opened its new rod mill at Scunthorpe. The £33m investment was intended to make 600,000 tonnes

Roy Hodson looks at British Steel Corporation's pressing need to close more of its plants because demand for steel has deteiorated and exporting its unprofitable.

of products a year for home and export markets. With similarly high hopes GKN opened its £50m Tremorfa steel plant and Castle rod mill at Cardiff nine months later. Its capacity is 400,000 tonnes a year.

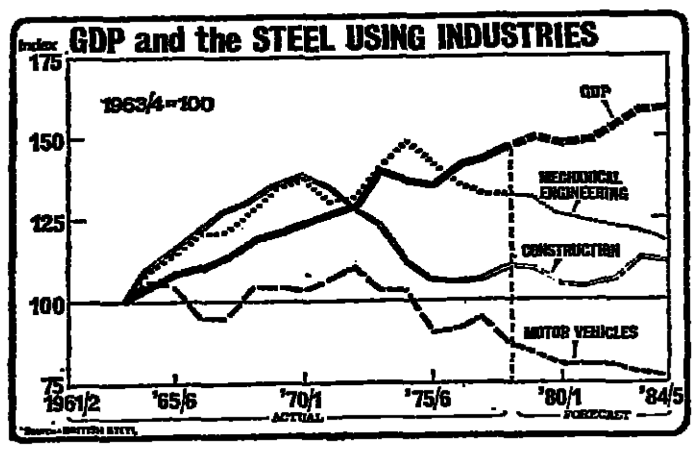
But even at the opening ceremonies the marketing men were worrying about finding customers for the extra 1m tonnes. Neither plant has come anywhere near its production capacity. Clearly the interests of British Steel and GKN rest on rationalising in concert, if possible, with other private sector steelmakers in the same market sector.

Overall Britain has too much modern plant making rod and bar. Steelmakers have given up hope of a swift upturn in the market. The forecasts are grim. Within one year, assessments of future British demand for steel have been revised downwards by British Steel from 17m tonnes a year to 15m tonnes, for the early 1980s. The British market was *nearly 20m tonnes a year in the* mid-1970s.

Meanwhile, the corporation has studied performances of Western countries' metal products, machinery, motor vehicles and shipbuilding industries. It has concluded that in the U.S. their output has risen by 25 per cent since 1975. In the European Economic Community excluding Britain it has risen by 14 per cent. But in Britain it has fallen by 6 per *cent and is continuing to fall.*

Surplus

That is why the current round of steelworks closures encompassing the bulk iron and steel making of Corby, Shotton, and Ebbw Vale, and the complete closure of East Moors at Cardiff



and other smaller works will not cut away enough surplus from British Steel's range of installations *to put the business in* good shape. During the cuts, which have still to be completed, about 3m tonnes annual capacity of new iron and steel plant ordered in palmier days is coming into production.

Faced with shrinking home demand, British Steel has to seek new export markets or cut its production more heavily and drop from number four in the world table of major steelmakers.

The exporting option has been effectively ruled out by sterling's strength and the swift growth in steelmaking in developing nations which is causing fierce competition in international markets. British Steel must import nearly all its ore and some of its coal to make steel. *It cannot obtain the steel* prices it needs to make exports profitable.

The alternative is a further round of production cuts. That is the nettle that is being grasped. British Steel has to become ruthless about taking out of use plant which is comparatively young and in excellent condition.

The next steelworks closures would be brutal involving the loss of thousands of jobs at works which had been regarded as secure. And modern plant financed by the State in recent years would be "mothballed" or would go under the breakers' hammers.

Time has been unkind to British Steel during the past year. Efforts by management and the 180,000 employees to turn the corporation around from its unenviable reputation for £1m-a-day losses have helped. Most sectors are running more smoothly and productively than since nationalisation. New equipment brought into production makes the relatively lowest cost British iron and steel ever.

Impact

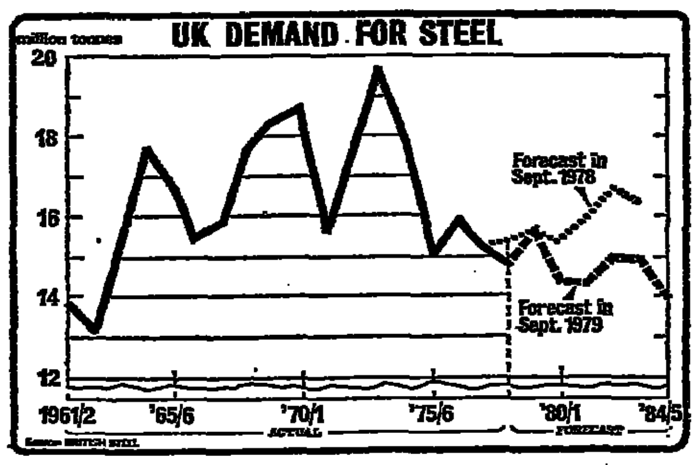
But this month the market cracked with a suddenness and severity that caught even the most experienced marketing men by surprise. "We had just begun to motor along at a good rate when we hit a brick wall," *the manager of a group of big* plants said. High interest rates have pushed industry to use up steel stocks and minimise orders.

The impact has been severest in South Wales. What has happened in the integrated *steelworks at Port Talbot and* Llanwern would shake the confidence of an ox.

This year the 20,000 workers at those plants, which make more than 80 per cent of the sheet steel produced for cars, domestic appliances and engineering, started to emulate Avis and try harder. A long, up-hill performance by management to raise productivity, cut absenteeism, and bring manning levels down to levels comparable with the best international steel industry practice began to pay off.

By mid-year the two works were losing less money than the average among British Steel plants instead of their traditional position as among the heaviest loss-makers in the corporation. In 1978-79 £309m was lost.

By September the entire Welsh division was profitable for the first time since 1974. Both Port Talbot and Llanwern were producing together at a rate of well over 5m tonnes a year. Both works were achiev*ing balanced production at high* volumes. There was evidence of a new spirit in South Wales steelmaking and general acceptance that when the current £750m investment programme is



finished next year Port Talbot and Llanwern would have embarked on a run of profitable steelmaking. Optimism on the shop floors and in management *corridors was equally high.*

Limits

But the market moved against the strip mills more quickly than they were able to improve performance and quality. Production at Llanwern and Port Talbot has fallen this month. Even the wide-strip mill at Port Talbot, the only mill in the country which can supply 72-*inch wide panels for roofs of* bigger cars, has been brought to a standstill on some shifts because of a lack of new orders.

The inescapable conclusion is that British Steel has more strip steel capacity in Wales, Scotland and Teesside than it can use in the foreseeable future.

The corporation can respond to the lack of demand by rolling its steel more slowly and, by closing some re-heat furnaces, save on energy costs. But there are definite limits to economies *which do not trim the pay-roll.*

A Llanwern and Port Talbot de-manning programmes may have to be introduced shortly. Talks have already begun to reduce the number of shifts in the cold rolling mills at Port Talbot.

The extent of British Steel's further reductions in iron and steelmaking capacity, and the series of decisions whether pieces of plant should be taken *out of production temporarily or* permanently, will all depend on how strongly the corporation believes it has a chance of sharing in a future market revival.

Sir Charles Villiers and his board are looking desperately for propitious omens. None *have appeared so far.*

Esso ethylene plant deal for Lummus

BY SUE CAMERON, CHEMICALS CORRESPONDENT

LUMMUS, part of the U.S.-based combustion engineering group, has won the £2m to £3m basic design contract for Esso Chemicals ethylene plant at Mossmorran in Fife. It is almost certain that Lummus will also be given the main contract for the plant which is now expected to cost £300m to build.

Planning approval for the 500,000 tonnes a year plant was given by the Secretary of State for Scotland in August. The *plant will use ethane gas as a* feedstock. This will be supplied from the natural gas liquids plant at present under construc*tion on* the Mossmorran site, and this in turn will be fed with gas from the Esso/Shell Brent Field in the North Sea.

Mr. David Smith, chairman *and managing director* of Esso Chemicals said yesterday that the company expected profits this year to be between 10 and 15 per cent up on 1978. Last year, the company made pre-tax profits of £13.3m.

Mr. Smith added that this improvement was expected in spite of the virtual loss of Esso Chemicals' chlorobutyl rubber plant in Japan. The company *had lost its market there as a* direct result of the UK road haulage strike in January this year.

Chlorobutyl rubber, made at Fawley in Southampton, is used by the Japanese for making such things as heart valves. Esso Chemicals estimated that the Japanese market for the product had been worth about £500,000 a year. There had also been potential for expanding the sales to Japan, but the chances *of re-entering* the market there now seemed poor.

Courier group calls for liberalised post service

BY JOHN LLOYD

PRIVATE SECTOR pressure to liberalise the postal services was stepped up yesterday as the IML Group, which claims to be the leading air courier service in Europe, called for the position of private companies in *its part of the communications* industry to be classified.

In common with other businesses operating under the Post Office's shadow, it stresses that it wants responsible liberalisation. In IML's case, that would mean clarification of the concept of "a letter," *important to the company* because it believes many of its potential customers are deterred by a fear of breaking the law by using its services.

The group has grown rapidly over the past seven years, from a one-man operation with initial capital of £300 to a turnover of £10m a year, of which £2m comes from courier services.

It estimates that the UK air courier market is worth £7m a year, and could rise quickly to *about £30m if the postal service* was liberalised.

In a letter to Sir Keith Joseph, the Industry Secretary, Mr. Andrew Walters, the company's founder and managing director claimed the UK postal system was costing business £100m a year—a figure which *Mr. Walters* said derived from a banker's estimate based on his clients' experiences.

British business was being penalised, he said, because it *had to rely mainly on* the Post Office, while businesses in other countries did not.

British Gas to introduce service charge discount

BY ELAINE WILLIAMS

BRITISH GAS is to introduce a discount on service charges for domestic appliances when it reviews charges next year.

The discounts will be available to customers with more than one appliance serviced on any one occasion. British Gas decided to introduce a single national discount structure after a letter to the corporation from Mr. Richard Shepherd, *MP for* Aldridge-Brownhills, West Midlands.

Mr. Shepherd said economies could be made by servicing more than one appliance at a time.

Bearing in mind the savings in labour costs and petrol, Mr. Shepherd said it seemed logical that some benefit should be passed on to the consumer.

Prestel holiday bookings

BY ELAINE WILLIAMS

FROM NEXT week travel agents will be able to book *holidays for their clients to* Spain, the Canary Islands and the Balearic Islands through Prestel, the Post Office's televised information service.

Iberotel, the Spanish group with a chain of 30 hotels, announced yesterday reservations could be made for all its hotels *through Prestel.*

The system is being operated for Iberotel by Baric Computing Services, which is owned jointly by International Computers and Barclays Bank.

The public and the travel trade can find out details of the group's hotels and the availability of accommodation through Prestel. But only travel agents have access to special pages on Prestel which allow bookings to be carried out electronically.

Ford check

Ford is asking dealers to con*tact owners of* 29,000 cars built in the last week in August and in the whole of September for a safety check on part of the door lock mechanism. The cars involved are Escort and Cortina models.

NatWest backs oarsmen again

THE MEN'S national rowing squad is to receive an additional £120,000 from the National Westminster Bank, which has extended its sponsorship of the sport up to 1984 Olympic Games.

The bank has already provided £65,000 for British rowing. That *sponsorship expires* at next year's Moscow Olympics.

British Gas refuses new contracts

BY MAURICE SAMUELSON

THE GAS industry has turned away about three times as much new business in the past seven months as it has taken on and is entering virtually no new contracts with industrial or commercial customers, Sir Denis Rooke, British Gas chairman, said yesterday.

This was caused by the "panic flight from oil" in the first three months of this financial year, during which the industry disposed of most of the additional contract gas it expected to provide in the next two years.

Sir Denis said, speaking in London at an energy management awards presentation, that although tariff customers continued to increase more than 300,000 a year, they were only those who were within 25 yards of an existing gas main and to whom the corporation had a statutory obligation.

Here, too, new supplies were fixed at a maximum 25,000 therms a year. The average house uses about 500 therms but the 25,000-therm limit excludes any new large industrial or commercial customers.

The industry has already warned customers on "interruptible" contracts it cannot assure continuous supply this winter. Nevertheless, Sir Denis was confident of meeting all formal commitments, barring any "major breakdown of plant, either onshore or offshore."

Capacity would reach more than 9bn cubic feet a day, compared with last winter's record output of 7.75bn cubic feet.

But in a strong call for domestic prices rises, he predicted a winter of controversy about prices. He hoped the Government would soon authorise a move "towards removing some of the worst distortions" between industrial and domestic prices. It should not be a violent movement, "but a steady progression towards greater rationality and therefore wider acceptance of fairness."

His comments follow reports earlier this week that British Gas wants the Government to give it a three-year financial target in the next few weeks. This could lead to customers paying 20 per cent more from next April, followed by a further rise later.

Sir Denis said to boost potential to meet peak demand this winter the development of further storage capacity was being speeded up. The corporation was planning additional storage in liquefied natural gas tanks and underground salt cavities. It was negotiating the use of a partly depleted gas field in the Southern North Sea, where gas from other reserves would be reinjected.

Calling for greater energy efficiency, he said 45m therms a year—equal to the reserves of a small gas field—could be saved in the next two decades, making a considerable contribution towards the country's prosperity.

More aircraft use automatic landing systems in thick fog

BY ELAINE WILLIAMS

THE USE of automatic landing systems which allow pilots to land aircraft in dense fog is increasing rapidly with the introduction of new generations of aircraft.

Pioneer work in Britain several years ago on automatic landing means that British Airways has the most amount of aircraft which can land when visibility is down to 100m.

Nearly a third of its fleet of 200 aircraft is equipped with the system which can guide pilots onto the runway without the need for them to see it.

This month almost 100 British Airways flights carrying more than 100,000 passengers have landed at Heathrow Airport using the Instrument Landing System when only a handful of other operators' flights have been able to get through.

Most aircraft have some form of automatic landing system which guided them by a radio beacon placed at the end of the runway. But most are classed as system for Category 2 weather which are only accurate when the visibility is between 800 and 400m. In this case the pilot needs to see the runway before making his final approach.

The improved system for Category 3 weather, which is fitted to the Trident, European Airbus (A300B) and the Tri-Star widebodied jets enables landings when visibility is down to 100 m.

British Airways originally fitted the equipment to the veteran Tridents which are due to be phased out in 1985 when the modern replacements arrive. About 50 Tridents are equipped with the system.

Air France and France's internal airline AirInter both have facilities for the more accurate systems on the Airbus and the Caravelle.

By the end of 1985 the improved systems will be fitted as standard to the Boeing 757. Since it uses the latest micro-electronics techniques the equipment is far more sophisticated but is also smaller and requires less maintenance compared with the earlier bulky models.

Most of the major airports in Europe have fitted the radio beacons which enable instruments to show direction and angle of approach.

Most operators have decided to wait until the next generation of aircraft arrive rather than upgrading existing equipment installed in ageing aircraft. The Boeing 737 will have the capability for the system for Category 3 weather next year.

It is unlikely that such systems will be commonplace until well into the 1980s. But, by then, manufacturers will have decided on the final form of the system which is to supersede it—the microwave landing system—which is more accurate and sophisticated than present techniques.

● At Heathrow the average number of days each year on which visibility is less than 200 m is 27. At Glasgow airport there are only an average of 18 days a year with such thick fog.

Increase of 81.1% in oil exports

By Martin Dickson, Energy Correspondent

BRITISH petroleum exports were worth £1.2bn in the third quarter of this year, a rise of 81.1 per cent on the same period last year and the highest value for exports recorded in a single quarter.

These figures, published yesterday in Energy Trends, the Department of Energy's monthly statistical bulletin, reflect the sharp rise in oil prices in the past year and increasing North Sea production.

Fuel imports in the third quarter of the year totalled £1.418m, a 22 per cent rise on last year in spite of a substantial fall in the volume of petroleum imports.

North Sea production in the first nine months of the year was nearly 58.3m tonnes, over 4m tonnes more than production for the whole of last year. Third quarter production was 20.8m tonnes, 52 per cent up on last year.

Effort

The statistics also reflect a substantial effort by the National Coal Board, British Rail and the Central Electricity Generating Board to rebuild power station coal stocks before the winter. Power station coal stocks increased by 1.5m tonnes during October to reach 17.2m tonnes.

Coal consumption in August-October rose by 6.9 per cent to nearly 29.2m tonnes. Most of the increase in consumption was at power stations reflecting a switch from oil and in industry.

In the July-September period, total British energy consumption rose by 3 per cent compared with the same quarter of last year. Consumption of coal increased more than that of other fuels, with consumption of petroleum showing a 1.3 per cent decline.

Energy consumption in the first nine months of the year was 261m tonnes of coal equivalent, some 13m tonnes and 5.4 per cent above the same period of last year.

● NEWS ANALYSIS—COATED PAPER

Tullis Russell puts its money on glossy end of market

BY WILLIAM HALL

BY THE STANDARDS of the international paper industry Tullis Russell's £12.5m venture into the coated paper market is pretty small beer. A British company would have to spend upwards of £100m if it wanted to build a coated paper plant that could hope to compete directly with the Scandinavians and North Americans.

However, for Tullis Russell, an independent Scottish paper maker, the investment is by no means small. Last year it had a turnover of £32m and made pre-tax profits of £3.0m. Its decision to move into the higher quality end of the coated paper market has not been taken lightly. It has just finished a big investment programme renewing its paper-making machinery and its capital spending in the coming year will be more than doubled.

At present Tullis Russell only makes uncoated paper. Although it has capacity for 75,000 tons per annum it is now producing about 60,000 tons annually of which roughly a third goes into the printing and writings market, a third into industrial paper and the remainder into speciality paper.

Over the last few years there has been a growing swing towards the use of coated paper in, for example, glossy magazines. And uncoated paper makers (like Tullis Russell) have been losing out. According to figures published by EEC International (English China Clay), which provides much of the coating, consumption of coated paper in Western Europe was growing at an annual rate of 14 per cent prior to 1973 compared with 5 per cent for uncoated grades. The 1974-76 recession interrupted the growth but in 1978 the growth resumed.

During the next five years EEC forecasts that European consumption of coated paper will grow at 3.5 per cent each year while uncoated paper will grow by 1.3 per cent. In the U.K., which will be Tullis Russell's initial target, coated paper consumption is forecast to rise at an annual 2.6 per cent between 1978 and 1983 against a 1.0 per cent growth in uncoated printing and writing paper for the printing and writings market.

Against this background, Tullis Russell's decision to enter the coated paper market makes a lot of sense. However, it has had to find a niche for itself at the top end of the market because of strong competition from imported coated papers in the lower price range.

The U.K. market, like the European market for coated printing and writing papers, is divided into two parts—coated mechanical paper and coated "woodfrees" paper. The former is based on pulp which has been ground mechanically made and the latter is based on pulp made by cooking woodchips with chemicals.

In Western Europe as a whole, the coated mechanical paper market is considerably larger than the coated woodfree market and is growing faster. Since about half the original timber is wasted in chemical pulp making compared with almost no waste in mechanical pulp, the latter tends to be considerably cheaper and is also much better suited for lightweight uses—far and away the fastest growing sector of the coated paper market.

EEC estimates that Western European consumption of coated woodfrees for printing and writing papers (the main market) in 1978 amounted to 1.6m tons while sales of coated mechanical papers amounted to 2.3m tons. The coated mechanical paper market is forecast to growth at an annual rate of 3.8 per cent over the next five years against a growth rate of 2.9 per cent for coated woodfrees.

The British market has a different profile from that in Europe generally. In the UK, consumption of coated woodfrees—about 300,000 tons per annum—is over 50 per cent higher than consumption of coated mechanicals.

Until last year the Reed paper group produced coated mechanical paper at its Gravesend plant but its prices were more than 10 per cent higher than those of its Scandinavian and North American rivals so it pulled out of the market. Almost all the coated mechanical paper now consumed in the UK is imported.

EUROPEAN PRINTING AND WRITING MARKET

	UK ('000 tons)	Growth rate†	Europe ('000 tons)	Growth rate†
Uncoated	1,093	1.0	6,871	1.3
Coated	488	2.6	3,915	3.4
of which: Woodfrees	297	1.2	1,630	2.9
Mechanicals	191	4.7	2,285	3.8

† Per annum 1978-83.

Source: The Outlook for Printing and Writing Papers in Western Europe 1978-1983, published by English China Clays International

Festive protest from environment group

Hugh Routledge

CHRISTMAS came early for Lord Shepherd, chairman of the Packaging Council, when a group of Santa Claus from the Friends of the Earth environmental group presented him with a 30-foot bag of rubbish yesterday.

The group delivered the bag in protest at what it saw as the council's lack of effort in reducing waste wrapping in industry. The group claims the industry spends £7.4m a year on packaging materials, most of which ends up in dustbins.

The Packaging Council, which includes Friends of the Earth, was formed in May, 1978 with the aim of establishing codes of practice directed at reducing waste.

Rules changed for rail safety

BRITISH RAIL will make a rule change from February 2 by which platform staff must not tell a guard that his train can go until the signal is clear. The aim is to avoid accidents similar to the Paisley Easter Monday crash, when seven died and 62 were hurt.

Stating this yesterday at the Paisley inquiry into the crash, Mr. Fred Walmsley, chief operating manager, Scottish Region, said: "The reason is to see if it will achieve any better results. I don't know, and I don't know if any railway officer really knows whether it will. We hope it is so, but we can only wait and see."

Labour law proposals may be modified

BY CHRISTIAN TYLER, LABOUR EDITOR

A NUMBER of important modifications to Government labour law plans designed to pull the teeth of trade union opposition will be considered by Ministers over the next few days. A Bill is expected at the end of next week.

In particular, the Department of Employment is likely to be circumspect about its announced intention to outlaw "coercive recruitment" by trade unions—a proposal stemming mainly from past activities of the print union, Slade.

Meanwhile, there is a real *possibility that the TUC will* hold a special Congress or a conference of national executive committees after the Bill is published, when the whole question of union-government relations—which are under increasing strain—will be reviewed.

Mr. James Prior, Employment Secretary, gave away no secrets about the Bill yesterday, after his final consultative meeting with the TUC's employment policy and organisation committee. Mr. Len Murray, TUC general secretary, said he and his colleagues had received no answers to their objections and questions.

But it still looks likely that the Government will heed TUC and other advice to the extent that it will not attempt in this Bill to limit the general immunity from civil prosecution that trade unions can invoke when taking industrial action.

If so, that would mean only circumscribing the immunity of *so-called secondary pickets*—a term itself fraught with definitional problems.

After what was described as a tense meeting, Mr. Murray said he was "apprehensive and depressed" at the Government's apparent determination to press ahead on picketing, the closed shop, union recruitment, secret ballots and changes to employment protection law.

He insisted that the plans would strike at some fundamental trade union rights and undermine the TUC's voluntary procedures for resolving inter-union and other disputes.

It was a "high risk" approach that would sour the atmosphere and create more problems at plant and factory level, he said.

But Mr. Prior bluntly rejected the TUC's claims after the meeting. Of its suggestion that the Bill be dropped and replaced with discussions of incidents as they arose, he said: "It's an old ploy. It's what the TUC have been saying for 20 years."

The TUC had challenged him to cite instances of abuse of trade union power. "You would have thought that last winter never existed," Mr. Prior declared. Asked about Mr. Murray's "*high risk*" phrase, the Minister retorted: "It's high risk something, but it's high risk to to do nothing. I think we have it about right."

He added: "It is a travesty to talk in terms of this Bill affecting the basic rights of trade unions."

The Bill, which is virtually complete, will go to a Cabinet committee in the next few days for final decisions on the key modifications.

More Shell drivers walk out

By Philip Bassett, Labour Staff

THE THREAT to Shell UK's oil and petrol supplies increased yesterday when tanker drivers at six terminals walked out in sympathy with between 400 and 500 drivers involved in a dispute over the use of contract labour.

About half Shell's 1,500 drivers are now involved in the dispute, which has halted the transport of all oil-based products from about 20 of the company's 46 terminals.

Though most garages hold more than a week's supply of petrol, the timing of delivery dates may mean some garages running low very quickly. There were reports yesterday of garages with only a few days' stocks.

About 200 drivers went on strike yesterday at terminals at Stanlow in Cheshire, Ranton, Lincs., and at four Scottish terminals—Grangemouth, Ardrossan, Dundee and Inverness.

Shell maintains that its agreement with teh drivers' contains a clause allowing it to use contract labour to move supplies at times of peak demand.

HEALTH SERVICE'S OWN PLAGUE: THE LOCAL STRIKE

Hospitals seek disputes formula

BY GARETH GRIFFITHS, LABOUR STAFF

PICKETING and counter-demonstrations outside the gates of Charing Cross Hospital in West London illustrate dramatically the type of industrial action which is becoming more common in the National Health Service.

It was the kind of local dispute that has plagued the service in recent years, according to the recent Royal Commission on the National Health Service, which was chaired by Sir Alec Morrison.

National disputes within the NHS, on the lines of those of last winter, are comparatively rare. Most industrial action has taken the form of sporadic outbursts over local grievances such as grading, manning levels, bonus payments and demarcation disputes.

In the Charing Cross case, *for instance, the incident was* sparked off when two maintenance engineers refused to change an air filter, claiming it was not their responsibility. The work-to-rule leading up to the dispute had lasted since the beginning of January.

The effects of local disputes have been exacerbated because fewer than half of the regional, area and district health authorities have collective disputes procedures.

The Advisory, Conciliation and Arbitration Service, in evidence to the Royal Commission, was critical of existing arrangements. It said reorganisation in the early 1970s had distanced staff from management.

Management lacked experience in industrial relations, there was disunity in the various personnel functions and local collective bargaining machinery was absent, ACAS said.

Trade union officials on the staff side of the General Whitley Council have suggested that problems in the chain of command from hospitals to district, area and regional health authorities have meant that managers tended to over-react when faced with industrial disputes or that they passed the responsibility along the line of command to the area health authority.

Breakthrough

Last winter Mr. David Ennals, Social Services Secretary in the *Labour Government, met* general secretaries of the main health unions and representatives of the health authorities in an attempt to initiate a new local *disputes procedure.*

By May a draft procedure had been worked out and sent to the Whitley Council for amendment and approval.

The local disputes procedure had three main objectives: to settle the disputes quickly; to ensure normal working or the status quo while the dispute was being considered; and to make sure both sides had access to each other on a formal basis.

The draft procedure provided for a dispute to be considered initially by the district management team, or in the case of single district areas by the area team of officers. If unresolved, the issue should be passed to the area health authority and dealt with in 14 days. Normal working should continue during this period.

If the dispute had not been resolved at area level, it should then go to a regional panel consisting of three trade union representatives and three representatives from the employing authorities in the region other than the one directly involved.

The panel should be convened within 28 days and its findings would be regarded as binding, although they would not be a formal obligation in law.

Health authorities on the management side of the Whitley Council have expressed concern that the regional disputes panel was weighted towards the health unions. They pointed out that the unions could nominate panel members from their own unions while they themselves were prevented from sitting on the panel.

At the last meeting of the general purposes committee of the General Whitley Council on November 20 there was a breakthrough in the union-management deadlock. Mr. David Williams, assistant general secretary of the Confederation of Health Service Employees and chairman of the staff side of the Whitley Council, now hopes that some agreement will be reached in the New Year.

It is ironic, however, that the two unions involved in the Charing Cross dispute—the Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union—are not members of Whitley.

Technically, they would not be covered by the disputes procedures as they negotiate directly with the Department of Health and Social Security. This reflects their strong bargaining power and the fact that wage levels are much more affected in their case by outside rates.

But union officials expect that if the draft procedure is accepted for local disputes the DHSS and the two unions will come to a similar arrangement, with local disputes going through the same machinery.

Scepticism

The management of the Ealing, Hammersmith and the Hounslow Area Health Authority, which runs Charing Cross Hospital, is sceptical about whether a nationally-agreed local disputes procedure would have helped to resolve the five-week unofficial strike.

It pointed out that both unions ordered the 55 maintenance workers to return to work two weeks ago and that the normal working provisions of the draft procedure have to be enforced by the unions.

Chrysler strike call is rejected

WORKERS at Chrysler UK's Linwood plant yesterday overwhelmingly rejected a strike call after being told by the management that industrial action could mean closure.

Some estimates of the voting put the majority against the shop steward's recommendation as high as five to one.

The decision means the company can go ahead with its proposal to end night-shift working from mid-December, with the loss of 1,000 manual and 250 staff jobs.

Chrysler UK had warned that the cut was essential to reduce losses from the plant, which was closed for 10 weeks in the autumn as a result of the strike at the Stoke engine plant in Coventry.

The company also wants to day-shift from 31 to 50 cars an hour.

Shop stewards decided to call *for strike action after the* management rejected their plan to save the threatened jobs by a programme of work sharing.

Mr. John Carty, the works convener, said the stewards would accept the decision.

The 6,500 hourly-paid workers had been influenced by the fact that they had already been laid off for a long period this year, and that the strike would have started just before Christmas.

He believed these considerations carried more weight than the letter sent to all employees by Mr. Stan Deason, manufacturing director at Linwood, in which he said a strike would mean "an early decision being taken on whether or not to continue the Linwood manufacturing operation."

Higher basic wages *sought in shipping*

BY NICK GARNETT, LABOUR STAFF

A CALL for higher basic wages in low paying countries and full trade union rights throughout the shipbuilding industry "to stop the exploitation of one group of shipyard worker against another," was made yesterday by the International Metalworkers Federation.

The federation's shipbuilding conference in Copenhagen also emphasised in a 13-page declaration that while increasing state aid had become indispensible, it should be temporary.

"Such aid should be provided only on specific programmes and is not to be used as a means of market distortion." The federation said that neither national nor regional protectionism was the proper policy for the protection of jobs.

"It would lead to delay in inevitable structural reforms, to greater dependence on State aid, to a worldwide economic war in shipping, shipbuilding, ship repairing and to more difficult conditions for shipbuilding workers' social progress."

The declaration, which to some extent tries to encompass marked differences between unions on some issues, asked the Organisation for Economic Co-operation and Development (OECD) to survey the impact of "unfair practices by shipyards and shipping of centrally controlled economies" and institute counter-measures.

Tether 'had to maintain position' over writing of Lombard Column

MR. C. GORDON TETHER, the former Financial Times columnist, told the Employment Appeal Tribunal, yesterday: "My cause was my column."

He said that in view of the stand taken by Mr. Fredy Fisher, Editor of the Financial Times, he had either to "haul my flag down and *collapse*, which was what he wanted, or stand against it. I had to maintain my position."

Mr. Tether was making the *final argument in his appeal* to the tribunal against rejection of his unfair dismissal complaint. A London industrial tribunal which found against *him* said he was dismissed because the working relationship between him and Mr. Fisher broke down irreparably.

Mr. Tether, 65, of Worplesdon, Surrey, had sought reinstatement and compensation against the Financial Times, in which he wrote the Lombard Column for 21 years.

He said that the third course open to him was to implement the agreed disputes procedure.

"As I saw it I was placed in the position where my job was at stake, or my reputation. I invoked the disputes procedure"

Mr. Tether, who had refused to attend a meeting in Mr. Fisher's office recommended by a disputes committee, said he *had behaved properly in relation* to the disputes procedure until he was dismissed.

"I did nothing wrong in the whole of *the* period, remembering *what* was at stake and what I was fighting for."

He submitted that in trying to control the subject range of his articles, Mr. Fisher was trying *to impose a different* working relationship on him.

If the life of an independent writer was to proceed on the basis of a process of compromise *as an essential feature*, there could be no freedom of expression for any writer below the editor.

In such circumstances, a writer's work would always be exposed to the conditioning of the editor. The public would not know whether the writer was expressing his own views or those that he had been "pressurised" to include in his work by the editor.

Mr. Justice Slynn, president of the tribunal, said that the court was not there to make any widespread rulings on the Press. Its function was to *decide whether there* was an error of law by the industrial tribunal.

Mr. Tether said that when the dispute arose he had completed *about 40 years on the Financial* Times, during which he worked happily and successfully with five editors.

Only two journalists on the *paper had* been to see him to try to resolve the dispute between him and Mr. Fisher, he said.

Mr. Tether maintained that his editor's requirements on consultation were in conflict with his terms of employment.

His statement in a letter that he was on a "collision course with the editor" was not the same thing as saying he expected to be dismissed. Mr. Fisher did not at the time act on his "*threat*" to treat the writing of articles outside the terms of a directive as a breach of contract, said Mr. Tether.

"No one was more anxious to get the dispute settled than I was. I was suffering in having articles banned."

He had claimed reinstatement because he genuinely wanted to return to the column. "It was very much my own creation. I would not have found another niche of the same value."

If he returned to the column he thought this would "repair the damage caused by the brutal way they dispensed with my services."

The tribunal reserved judgment.

Wider participation sought in postponed Ulster talks

BY IVOR OWEN

THE GOVERNMENT has postponed the all-party talks on Ulster's constitutional future which were intended to start on Monday. It hopes to secure wider and more representative participation.

Announcing the changed timetable in the Commons last night, Mr. Humphrey Atkins, the Northern Ireland Secretary, stressed that the conference had been postponed and not cancelled.

He traced a delicate and largely noncommittal path through the options discussed in the so-called "building bricks" working paper which the Government believes may provide the key to breaking the political deadlock which has existed in the province since the end of power-sharing in 1974.

His clear objective was to secure a change of mind by the Official Unionist Party, which has so far declined to participate in the all-party talks, while at the same time keeping the door ajar for the largely Roman Catholic Social Democratic and Labour Party.

Mr. Atkins is expected to have a meeting next week with Mr. John Hume, who has just taken over the leadership of the SDLP from Mr. Gery Fitt, MP for West Belfast.

The SDLP has made it clear that it will boycott the talks unless the Government allows debate on its long-term aspirations for Irish re-unification.

Mr. Atkins explained that while the working paper stated that "Irish unity" would not be discussed at the conference, this did not mean that there could be no reference at all to the "Irish dimension."

Mr. Atkins insisted that the existence of an Irish dimension to the problems of Northern Ireland was a straight matter of geography.

"Put in its simplest terms, it is a question of how two communities living on the same island can help each other, communities which share the same natural resources which are both parts of the wider European Economic Community."

He attached particular importance to co-operation between Ulster and the Republic on energy issues.

"I regard reconnecting the two electricity systems as an urgent economic need, which would be in the manifest interests of the Republic as well as those in Northern Ireland.

"We also look forward to the joint development of tourist facilities, financed in part by EEC funds."

While the North and South might not see eye to eye on all economic matters, said Mr. Atkins, in the longer run the identity of interest on practical issues was self-evident and indisputable.

"Joint activity on matters of common interest, rather than emphasis on political and constitutional problems, is the most practical evidence of the Irish dimension."

Mr. Atkins emphasised that the Government was seeking an acceptable form of devolved government in which the minority community could have confidence as the first step.

"An elected representative body in Northern Ireland would have ample opportunity to work out for itself the precise nature of its relationship with the Republic of Ireland on all those matters for which it enjoyed transferred responsibility."

Mr. Atkins confirmed that the Government was not looking for a return to the Stormont Parliament which was brought to an end in 1972, nor a return to "power sharing" on the pattern which operated in the first five months of 1974.

But he maintained that no one who read the working paper could fail to find in it a number of different proposals put forward for consideration that would give minority representatives a positive part in the administration of devolved government.

The working paper did not seek to set out a "blueprint" for the future government of Northern Ireland.

"Rather, it is a working kit to help the discussion about what form of devolved government would suit Northern Ireland in the present circumstances, so as to assist the Government in taking the necessary decisions and introducing the necessary legislation."

He emphasised: "It is a kit with many pieces—interchangeable pieces."

The Rev. Ian Paisley (DUP, Antrim North) said he wanted to nail the lie that Unionists were opposed to any form of co-operation with Southern Ireland. But those who had land. But those who had aspirations for a reunification of Ireland and wanted to see those aspirations institutionalised should know that it was "not on."

But if the all-party conference wanted to discuss the relationships which any future government of Northern Ireland might have with the Irish Republic, that was a different matter.

Labour threat to disrupt business

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE OPPOSITION is threatening to snarl up all Government legislation in the Commons by withdrawing its cooperation in the routine running of day-to-day business.

Labour MPs are prepared to adopt these "guerrilla tactics" because they are furious at the Government's decision to introduce the controversial Local Government Bill in the Lords instead of the Commons.

This threat to disrupt the Government's programme was made clear in the House yesterday by Mr. James Callaghan, the Labour leader, in an angry confrontation with Mr. Norman St. John Stevas, Leader of the House.

Mr. Callaghan warned that feelings on the Labour benches were running very high. If the Government expected to get its business through the House in the normal way, it had better think again.

The Government's decision also provoked indignation from the Liberals. Mr. Alan Beith, Liberal Chief Whip, protested: "This is a constitutional Bill. It changes the balance of power between central and local government. The decision of the Commons must be known before the Lords consider the matter."

But Mr. St. John Stevas made it very clear that there was no chance of the Government changing its mind.

"This matter has been considered very carefully by the Cabinet," he explained.

"It is a decision of the Government. I would like to help, but in this matter the Government has reached a considered decision and it will stick by it."

Mr. Callaghan objected that the Bill contained financial provisions. "The convention was that important measures of this kind were always introduced in the Commons first."

He claimed that the Government was giving the Bill to the peers only because it was jamming too much business on to the Commons timetable.

The legislation, whose full title is the Local Government Planning and Land Bill, is to be published in the Lords next Tuesday. The Government is stressing that only 20 of the 230 clauses contain financial provisions.

The Opposition, however, maintains that these particular clauses are of crucial importance. A main aim of the legislation is to give central Government much greater control over local authority rates.

It is expected to introduce a unitary grant system. This will enable central Government to penalise local authorities which indulge in large-scale overspending.

Under the new system, the central Government would set approved levels of local authority spending and standard rate levels. Local authorities that choose to overspend and raise rates above standard levels could be penalised by having the percentage grant reduced.

Mr. Callaghan maintained that the Government was disregarding the conventions and the understanding between the two Houses of Parliament. The Bill would clearly deal with taxation in the form of rates.

But the Leader of the House reminded him that a bi-cameral system operated at Westminster and there was a clear precedent for a substantial Bill to be introduced in the Lords.

He recalled that in 1975-76, 13 Bills requiring money resolutions were introduced in the Upper House. This Bill was not primarily a financial measure.

Mr. Callaghan retorted that this was not good enough. The Cabinet should reconsider the decision and a further statement should be made.

He recalled that it had just been announced that the House would rise for the Christmas recess on December 21.

"Let's see how much business you get through before that if you proceed in this way," he challenged.

Government ready for immigration defiance

By Elinor Goodman and Philip Rawstorne

THE GOVERNMENT appears reconciled to the fact that there will be some abstentions on its own backbenches when the new Immigration Order goes before the House on Tuesday.

Mr. William Whitelaw, the Home Secretary, has already indicated that he will announce some modifications to his original plan.

Late on Wednesday night, the Tory backbenchers who have been opposing the plan since the White Paper was published earlier this month met to discuss the expected compromise.

Under this scheme, women with one parent born in this country would be able to bring their fiances and husbands into the country, as will women born in the UK or one of its colonies.

It was apparently acknowledged that the expected compromise might appease some Tory middle-class voters opposing the original scheme because they feared it would create difficulties for their own relatives.

But there was some concern that the new plan would not alter the basic principle—and this may cause a hard core of backbenchers to refuse to support the Order.

The Lords will debate the Government's immigration White Paper on December 12. Liberal peers have tabled a motion deploring the proposed revision of the immigration rules as "racially and sexually discriminatory, incompatible with our international obligations and contrary to the principles of natural justice."

● WHITELAW PRAISE: The conduct of the Labour Party March on Wednesday from Hyde Park, London, in protest at the Government's public spending cuts earned praise yesterday from Mr. William Whitelaw, Home Secretary.

But he added that he was surprised that the marchers had backed a Government which had ruined the country's economy.

● RAIL COMPLAINT: The British Government has told the USSR it is "concerned" about the growth in freight carried on the Transiberian Railway, Trade Under-Secretary Mr. Norman Tebbit told the British Shippers' Council yesterday. Objections stem from the alleged unfair competition to Western shipowners.

● TOP LIBERAL: Mr. Roger Pincham, 44, a partner in stockbrokers Phillips and Drew, has been elected unopposed as chairman of the Liberal Party National Executive. He replaces Mr. Geoff Tordoff, who has been chairman for the past three years.

● SACKING CONDEMNED: The sacking of Leyland convenor Derek Robinson and British Leyland's industrial relations in general came under attack yesterday. Mr. John Evans (Lab Newton) said: "It is a sad thing that a senior convener can be sacked because he put his opinions in booklet form. Everyone should have the right to express his opinion."

Walker urged to fight imports of French milk

DEMANDS: For the Government to stand firm in its fight to stop imports of cheap milk were made yesterday by MPs on both sides of the Commons.

Agriculture Minister, Mr. Peter Walker, was urged by Dr. David Clark (Lab. South Shields) to draw up contingency plans if Britain's stand failed to stop French milk flooding the market.

But Mr. Walker insisted that it would be "absurd" to announce contingency plans when, he believed, Britain was acting legally.

He said the Advocate-General of the European Court had made it clear that Britain's argument, claiming stricter health standards in milk processing, was correct.

Mr. Walker said he was confident that Britain would be found "in the right" if challenged in the court.

But Mr. Roger Moate (C., Faversham) asked whether it was "adequate" to depend on health regulations to protect Britain's dairy industry.

Mr. Walker replied: "The reality is that we are much better at producing milk, and produce better milk than our competitors in Europe." Health standards were better in Britain, he insisted, and these would be kept.

Mr. Tom Torney (Lab., Bradford S), a member of the Union of Shop, Distributive, and Allied Workers—the milkmen's union—stressed there was a "very real fear" in the minds of workers in the industry.

He said they were worried about their jobs and urged Mr. Walker to act to stop the import of French milk. Mr. Walker, however, again insisted there was no need for contingency plans. He argued that Mr. Torney's claims of a French threat to the industry did "considerable harm" to the confidence of milk producers.

He would do better to tell people how much better British milk was, Mr. Walker said.

Later, Mr. Walker was urged by Mr. Peter Hardy (Lab. Rother Valley) to make it clear to the EEC that he recognised France's determination to "unload" milk in Britain and that he would not "consign" thousands of milk workers to the dole queue by letting it happen.

Mr. Walker replied that, on the contrary, British milk was so good there was a chance Britain might be able to export milk to France at some time.

"It is vitally important to retain door-to-door deliveries in this country. If Europe had the same delivery service that we have there would be no surplus."

Howe stresses need for pay restraint

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SIR GEOFFREY HOWE, the Chancellor, last night urged the need for good communications within industry if people are to act rationally on pay.

The speech—appropriately to a dinner of the Institute of Public Relations in London—was the latest in an almost daily series of attempts by Ministers to defend and explain the implications of its fiscal and monetary policy.

The tempo of these speeches has increased over the last fortnight, reflecting Ministerial concern about the level of some recent pay claims.

Sir Geoffrey argued that the great need now was for everyone to appreciate the full significance of Government policies.

"We are determined that inflation will come down.

"All of us in Government are doing everything possible to get this message across to decision-makers in our economy.

"For if pay and price decisions continue to be made on the comfortable, if unstated, assumption that, willy-nilly, the Government will print more money to finance them, then the greater will be the shock when reality eventually reasserts itself."

In particular, Sir Geoffrey said it was of "vital importance that management gives the fullest possible information to everybody in the firm about the company's financial position.

"Companies must get over the crucial message that pay settlements they cannot afford can lead only to stunted growth, possible redundancies, perhaps even bankruptcy.

"Management must explain the need for profit to finance new investment, explain the crying need for higher productivity, explain that this is the only way to get expansion and provide more jobs—and the only way to higher real pay," he said.

Moderate British drinkers praised

BY OUR CONSUMER AFFAIRS CORRESPONDENT

THE UK is one of the most moderate countries in the world in its drinking habits, Sir Derrick Holden Brown, chairman of the Brewers' Society, claimed yesterday.

Sir Derrick said that in terms of per capita consumption of alcohol, the UK was 23rd in a list of 31 comparable countries.

"Above us in the list are many countries where individual consumption is more than twice ours," he said.

Sir Derrick was speaking at a London lunch about the Licensing Amendment Bill, a private member's bill, which is due to have its second reading in the Commons today.

The Bill, sponsored by Sir Nicholas Bonsor (C Nantwich) would allow pubs to stay open until 11.30 p.m. and would permit children in designated bars.

Sir Derrick acknowledged that licensing hours were a social issue and said that it would be wrong for the Brewers' Society to take up a strongly partisan position.

"But this matter deserves to be debated on facts rather than on the extreme views of the few who appear to wish to curb everyone's drinking," he said.

"Whatever other factors are taken into account, the centuries of experience we have of running the English pub leads us to the view that greater flexibility in hours will not be a factor in the alcohol abuse problem."

He added that pub licensees did not want customers who drank to excess because they drove away other customers.

"This is why brewers and licensees can be relied on to go on exercising control, so that our pubs continue to be the envy of the world."

Commons business next week

Monday: Second reading National Heritage Bill. Debate on Reference to Official Report of Debates in Court Proceedings.

Tuesday: Debate on Proposals for revision of the immigration rules. Remaining stages of the Justice of the Peace Bill (Lords).

Wednesday: Debate on the Government's expenditure plans 1980-81. Resolution on Petroleum Revenue Tax.

Thursday: Debates on television licences and Cambodia.

Friday: Private Members' Bills.

LORDS

Tuesday: Shipbuilding Bill, second reading. Social Security (Contributions — Re-rating) Order. Short debate on the May report on he prison service.

Wednesday: Debate on Government's lack of effective and fair policies on rising prices, pay settlements and unacceptably higher levels of unemployment.

Thursday: Bail, etc. (Scotland) Bill Report. Isle of Man Bill Committee. Bill of Rights Bill (HL) third reading. Representation of the People's Regulations [illegible]

Gatwick inquiry

THE PUBLIC inquiry into the proposed expansion of Gatwick Airport will open at Crawley on January 29, the Government announced yesterday.

It also pledged to reach a decision on proposals for a fourth terminal at Heathrow before then, Lord Mowbray, a Government spokesman, told the Lords.

● An MP called today for all DC 10s to be grounded until they are proved absolutely safe to fly. Mr. Barry Sheerman (Lab, Huddersfield E) asked the Home Secretary, Mr. William Whitelaw, to contact the chairman for the Civil Aviation Authority "in the light of the disturbing tragedy involving New Zealand Airlines."

New approach to poverty problem

Eric Short traces the history of supplementary benefits and Government proposals to update the existing discretionary system.

THE publication yesterday of the Social Security Bill represents the latest attempts by Government to grapple with the problems of the very poor.

At last it appears to have been accepted that the main benefits provided by the National Insurance scheme need supplementing if all poor people are to receive financial help.

When the comprehensive National Insurance scheme was introduced in 1948, it was accepted that some people would need additional financial help. This was dealt with under the title of National Assistance.

But it was regarded as only a transitional feature and that the main scheme would eventually cope with poverty.

It was accepted that National Assistance would still operate under a means test, unlike National Insurance, and would have a strong discretionary element.

In 1966, National Assistance was replaced by the supplementary benefits system. One reason for the change was cosmetic, National Assistance still smacked of the pre-war poor house. But a change was needed because the poor were not only still with us but were growing in numbers.

In 1948, about 600,000 people were claiming National Assistance. By 1966 there were just under three million claims, with about two million recipients of regular weekly assistance grants.

The number has continued growing, due mostly to the deteriorating economic situation and high unemployment.

In 1978, the annual number of claims has risen to six million involving nearly three million recipients which, with dependents, leaves almost five million people dependent on supplementary benefits.

The supplementary benefits system was never designed to cope with such a volume of work. This produced strain on the staff. Regional variations in treatment — despite strenuous efforts to achieve uniformity — and bitterness from claimants who did not know their precise entitlment, since it was discretionary.

The Supplementary Benefits Commission under Professor David Donnison, continued to report the growing pressures it was working under.

The Commission itself, in its various reports, cried out for help and stressed the need for urgent reform and simplification of the scheme.

The administration in some parts of the country was near to breakdown. This Bill represents the first stage in that process of reform.

The first major change is effectively to integrate the operations of the supplementary benefit scheme within the main operations of the National Insurance system instead of as an adjunct.

Ironically, this means the dissolution of the Commission as such. The exact nature of the integration has to await publication of the regulations made under the Bill. These are expected to be ready by the committee stage of the Bill.

The Commission was a non-elected body effectively controlling the policy operations of the system. Now, issues of policy will be decided by Ministers and Parliament.

The levels of benefit and their entitlement will be set down in the regulations, in a similar form to National Insurance benefits. An individual, at least in theory, can ascertain his and her entitlements under the National Insurance scheme.

People could never be sure under the Supplementary Benefit system. Now, local Department of Health and Social Security officials can explain the benefits and point to the relevant scales.

But this integration process can be taken only so far. There must still remain an element of discretion in benefit payment related to conditions in particular homes. Exactly what areas will remain discretionary must await publication of those regulations and their interpretation.

Mr. Patrick Jenkin, the Secretary of State for Social Services, refuses to be drawn at present.

While this change is long overdue in that it will bring understanding and more uniformity of payment, there is an inherent danger that the system could become too rigid and that deserving cases could get less benefit. The scheme is dealing with real and tragic human problems, not cyphers.

But one aspect of the Commission's work is not being thrown away. It has performed a valuable service keeping Government advised on the need for policy changes and reform, independent of political necessities.

At present, the Government is advised on the National Insurance scheme by the National Insurance Advisory Committee, an independent body. This is also being wound up and a new body formed—the Social Security Advisory Committee. It replaces the NIAC and the Commission.

Mr. Jenkin has been at great pains to point out that the scope for change is still limited by economic conditions. The net effect on costs of the current changes is nil, so this is just the first stage in reform.

As such, it does nothing to relieve the poverty gaps highlighted by the Commission.

Nevertheless, by making some modifications to the scheme, more help has been directed towards some black spots—families with children, particularly one-parent families, and the disabled.

As part of the integration process, the distortions between benefits on the main National Insurance system and the supplementary scale are being removed and the rates brought into line.

At present long-term supplementary benefits are 40p a week better for single persons and 35p a week for married couples. For short-term rates, the gap is 20p single and 25p married. The changes will come into effect at the uprating of benefits in November, 1980.

The restrictions on cost has prevented the Government from dealing with the urgent problem of the long-term unemployed. The Commission said in that the number of unemployed seeking supplementary benefits has grown to become the second largest group of claimants after pensioners.

It urged that the higher rate benefit payable for other claimants should be paid to the unemployed.

Mr. Jenkin said that this would cost £85m to remove and this was not acceptable. But he was also opposed on the grounds of incentives to work—not surprising from a Minister dedicated to clamp down on abuse of the system.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● MACHINE TOOLS

Miller copes with giant rotors

AN ORDER has been placed by GEC Turbine Generators, Stafford, with Innocenti Santeustacchio (INNSE), of Milan for what is thought to be the largest and most advanced machine tool of its type anywhere. It is an FF200 numerically controlled special purpose rotor machining centre.

It will be used to finish-machine, after turning, the generator rotors, weighing up to 300 tons, of the largest turbo-generator sets that GEC is likely to supply to the energy industry world-wide between 1980 and 2010.

The machine has a heavy-duty milling head of 150 hp for taking out the pole slots—up to 30 tons of metal removed at a time on the largest nuclear generator rotors—an auxiliary machining head on the same bed for all ancillary work on the rotor, and a dividing unit to support and index the rotor machining, the whole being under control of a Kongsberg CNC system, although the machine may also be controlled manually.

This new facility will allow GEC to tender for the largest generators likely to be required anywhere in the world and will significantly reduce manufacturing lead times over methods currently in use. Since the additional equipment allows all the necessary work to be carried out on the shaft end of the rotors, any rotor coming away from the centre will be fully machined ready for fitting the windings.

Henderson and Keay (Engineering), is the British agent for INNSE—and operates from 11B North Claremont Street, Glasgow G3 7NR.

● POWER

Controls the volts

FIVE AMP adjustable voltage regulators capable of supplying 10 amp transient currents for short periods have been designated LM 138 Series by National Semiconductor Corporation. They will provide any regulated voltage of 1.2 volts to 33 volts with over 5 amperes output current and provide better load regulation and line regulation than any power supplies made with discrete components.

Two external resistors set the output voltage, making the LM 138 much more flexible than output regulators. Also thermal regulation is guaranteed on the device, with power dissipation of up to 50 watts.

Temperature differences across the chip are used to control its high peak output current. With a pulse load, the peak current load is set at 12 amps. After a few milliseconds, the temperature difference generated across the die causes the current limit to decrease to a safe dc value of about 8 amps.

Other types of protection built into the design make it virtually blow-out-proof under any type of overload. Safe area protection decreases the current limit, with high input/output differentials protecting the pass transistor. Thermal overload protection shuts off the regulator, preventing destruction caused by overheating.

National Semiconductors (UK), Bedford (0234) 47147.

● COMPONENTS

Support wins Agrement

MADE BY Flamco BV in Holland, the Flamco pipe support system offers various combinations of pipe clips, connecting rods and anchor arrangements to deal with steel, copper tube, etc., and is marketed in the British Isles by sole concessionaire, BSS, Fleet House, Lee Circle, Leicester (0533 23232).

The Agrement Board has now awarded a certificate to the system which is based on a simple clip placed around the pipe and secured by a sleeve pushed over the closed jaws of the clip which grip a steel ballhead. Shank section of the ballhead is tapped to receive a screwed rod, enabling the assembled clip to be suspended from an anchor point.

Together with reduced installation times resulting from its simplified form of installation, the system provides scope for easy adjustment to allow for pipe level changes and subsequent modifications to pipework.

Quietens compressors

SILENCERS, DESIGNED and manufactured by Alpha Acoustics of High Wycombe, are intended to reduce the low-frequency pulsation noise associated with the inlets to large, low speed, air compressors used in many industries.

They may be mounted verticaly or horizontally and will provide a guaranteed attenuation of 20-25 dB(A) at the compressor-generated frequency. Standard units, they are constructed from carbon steel of substantial thickness for a long life under normal industrial operating conditions. Units can also be manufactured using other materials where corrosive conditions may be encountered.

Alpha operates from Hillbottom Road, Sands, High Wycombe, Bucks. 0494 36345.

Strong braided hose

INSTEAD OF using two layers of wire braid reinforcement as in conventional SAE100R2 hose, Hi-Pac FC310 incorporates densely packed bundles of finer wire applied as a single layer. This brings savings in weight, bulk and material, enabling Aeroquip to offer this one-wire braid hose for two-wire braid pressures.

Because of reduced bend radius, approximately 25 per cent, it is especially significant that many installation hose assembly lengths can be reduced. For example, it was established on a particular installation that 63½ in of conventional SAE100R2 hose was required, whereas, when Hi-Pac FC310 was used only 47 in was needed, a saving of 26 per cent. This reduction in hose length of 16½ in not only meant a neater installation, but also a cost saving to the equipment manufacturer.

Since less material is used in the manufacture of Hi-Pac Hose, a weight saving of between 25 per cent and 36 per cent is achieved, thus reducing both export and domestic shipping costs. Yet all SAE100R1/2 applications can be met.

Reduction in weight is significant for water jet cleaning lines—where some 120 metres of hose may have to be handled manually.

Offered in inner diameters of ¼ in to 1 in bore, the Hi-Pac product is complemented by a comprehensive and compatible range of swage end fittings with BSP and JIC threads.

Aeroquip (UK), PO Box 29, Studley Road, Redditch, Worcs. D98 7HQ. Redditch 20292.

Rip-off disc saves time

SANDING DISCS are used with power tools and industrial grinders for smoothing wood, plastics and metal but, when the operator has to change the discs for different applications or degrees of finish, the swap can take a long time.

The idea of self-adhesive discs was first mooted over 14 years ago ... pad and to the individual sanding disc, so that it takes only seconds to set up a tool and, because there is no screw in the middle of the disc, its entire surface can be fully utilised.

Because of the excellent adhesion of the disc, even very rough edges can be sanded ...

● INSTRUMENTS

Versatile tape unit

BATTLING IT out with Honeywell and half a dozen other makers, EMI has made a new bid for the portable instrumentation recorder market.

Claiming to be market leader in the UK and to have about 13 per cent of the world sales, SE Labs (EMI) of Feltham has unveiled the model 3000, a compact and robust machine that operates in frequency modulation, direct, or digital recording modes.

EMI claims that the 3000 can offer most of the facilities of previous bulkier units that use one inch tape. Top of the range model can record 14 channels in IRIG (inter-range instrumentation group) standards on half inch tape and costs £9,200. A more basic eight channel ¼ inch tape model costs under £6,000. The machines have eight tape speeds between 15/32 and 30 inches/sec.

However, several variations are possible, by specifying tape width (bolt-on mechanics make a later change easy), headstack configuration, number of data channels, recording modes and the accessories required.

In general construction terms, EMI has kept complexity to a minimum by using expanded copolymer moulding techniques for the case and electronic module housing. As a result the weight has been kept down to 55 lb; dimensions are 19 x 11 x 10 in.

Tape transport is SE Labs' balanced tension symmetrical open-loop tape path system and the recorder can be operated on its back, side or end.

Operation has been kept as simple as possible. A built-in calibrator with front panel control and display units provides complete calibration of modulators and demodulators, a complete check of all channels including direct record, and an "electronics to electronics" facility that tests everything without running tape—a useful final check before an important run.

The machine's value in the field is enhanced by its ability to work from any normal mains supply or from 11 to 30V dc.

More from the company at Spur Road, Feltham, Middx TW14 0TD (01-890 1477).

Metafoil of Aden Road, Enfield, has the capability (unique in Europe) of producing stainless steel in thicknesses down to 0.1mm and in widths over 800mm with the use of a purpose-designed S. Mill. The process of reducing the strip to this very fine gauge is effected through two sets of bridle rolls, one inlet and one exit consisting of two 16 in rolls and two 20 in diameter rolls. The 16 in diameter rolls act as pinch rolls within the bridle system and are individually driven by geared motors for applying pinch loads. From entry to exit of the S Mill a small increase in roll diameter is made to provide an increase in peripheral speed ensuring that the strip is always under tension through the mill. The bridles are driven through interchangeable fixed ratio gearboxes mounted at the rear of the main gearbox. Located between the two bridle systems are the floating 1 in and 3 in diameter S configuration work rolls held within the work area by a 16 in undriven wheel. Loads of up to 100 tons per sq in can be applied within the S configuration work area. The Metafoil S Mill (believed to be the only one used for this purpose) weighs about 100 tons, has a maximum speed of 900 ft per minute, can produce up to 7,000 tons of stainless steel strip per annum and runs at 60 per cent of the normal electrical consumption of a conventional rolling mill making similar reductions. This very thin stainless steel foil, which has also been branded Metafoil, is ideal for flexible tubing, gaskets, mesh and various deep-drawn components. Oil chemical, pharmaceutical, food and drink process industries will find useful the extra-wide sheets of stainless steel for insulation cladding around pipes and tanks and for lining tanks and drums. There is also a wide scope in the building industry for using Metafoil as a long life, maintenance free material in roofs, ceiling tiles, partitions and cubicles, kitchens, cold stores and abattoirs. The decorative appearance of Metafoil will open-up new applications in consumer products such as car trims, cookers, fire reflectors, wall tiles and tablemats. Metafoil is a subsidiary of Rigidized Metals and has the backing of the National Research Development Corporation. It operates from Aden Road, Enfield. 01-805 7527.

● PROCESSES

Scale can be hosed clean

DIGITAL electronic check-weighing scales for industries with difficult working environments built by Richard Simon and Sons, will instantly display the amount by which a product is over or under weight. This ensures fast, efficient working at a rate of 24/30 precise weighings every minute.

The ... series 3250 scale is believed to be the only ... checkweighing scale ... remove contamination ... in a completely hygienic condition. It has no pivots, bearings or other moving parts that can corrode or wear out and only minimum maintenance is necessary.

Manufactured in stainless steel, it has particular applications in meat and food processing, chemical production and the textiles industry.

Richard Simon and Sons, Park Lane, Basford, Nottingham NG6 0DT. 0602 277721.

● COMPUTING

Helper for hotel staff

MONOTYPE has developed a hotel reservation and guest accounting system designated HS/80. Based on the Monotype 80 information processing system, it includes the use of up to 15 "hand-held" terminals which may be located throughout the hotel in bars, shops, housekeeping departments, etc.

Designed for managers of hotels with 50 to 160 beds, it copes with reservations for several years in advance; automatic production of guest folios, bills, and reservation confirmation slips; management reports including audit transactions, list of deletions and balances; and night audit trail.

Monotype 80's facilities are also offered. These include word processing, electronic mailing, shared facilities, and a measure of data processing.

Monotype Communications, 14/16 Cockspur Street, London SW1Y 5BL. 01-930 1323.

● MAINTENANCE

Cleans the carpets

REGULAR CARPET maintenance can now be carried out "in house" at all sizes of commercial premises using a machine called the Vax Valet.

This machine combines three types of cleaning device. Firstly, it is a water-extraction carpet cleaner which sprays warm water containing a cleaning agent into the carpet and then immediately sucks it out again with the dirt. It also is a wet suction cleaner which removes spillages before they can permanently stain. And it can be used as a normal vacuum cleaner with a full range of cleaning heads.

Combining the three modes of operation in one machine was achieved using only one motor.

This achievement makes it possible to manufacture and market the Vax Valet in an exceptionally low price range in view of what it can do.

Tests undertaken by the Wool Industries Research Association over a three-month period showed that the Vax Valet removed 28 per cent more dirt than with conventional vacuum cleaning methods, made carpets look eight times cleaner, restored colour and pile and, in consequence, prolonged their effective life.

Initial market for the new cleaning machine is all commercial and public premises, which generally are subjected to heavy "traffic" as well as those where there is a high risk of spillage—such as offices and shops, hotels and restaurants, pubs and clubs, hospitals and rest homes, and all public buildings.

Vax Appliances, Hampton Lovett Industrial Estate, Kidderminster Road, Droitwich, Worcs. 09057 71828.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

'France Inc' builds a new springboard for exports

Terry Dodsworth on the dramatic success of Technip, the engineering contractor which is opening world markets to French industry

"FRANCE took this contract and won friends. It has been regarded, rightly, as an investment in the future."

The speaker is a non-French, a rival European with a clear admiration for France's new-found marketing aggression overseas. He is talking about a $500m contract for a petro-chemicals complex which is going up in Qatar, the tongue of land which projects into the Gulf just south of Bahrein, and which is believed to be sitting next to one of the largest gas fields in the world.

Qatar is already oil-rich, but without the reserves to put it on a par with some of its neighbours. Which is why it is now trying to recycle its oil wealth into "down-stream" processing industries which will guarantee its future.

Because of this move beyond the simple exploitation of oil, the Uum Said petro-chemicals contract is seen by many people in the Middle Eastern energy industry as a highly significant development for the future. Gas will be taken from a nearby field and processed in the complex to emerge as low-density polyethylene, one of the base products for the plastics processing industry. It will give Qatar the ability to do the kind of processing which now goes on almost entirely in the big energy-consuming countries of the West.

France has now put itself into an axis position for future contracts of this kind in the Middle East. It has done so partly through a willingness to accept the contract on fairly keen terms: other foreign companies in the industry had not been willing to take it on. But this commercial aggressiveness is in turn due to a deliberate official policy which in the past ten years has seen French companies suddenly emerging all over the globe as significant competitors.

At Umm Said, for example, the project is being master-minded by CdF Chimie, the chemicals company owned by the nationalised French coal industry. CdF Chimie has contacts with Qatar through a deal negotiated a few years ago between the Gulf state and France under which the Qatari Government has taken a stake in, and helped finance, a new petro-chemicals complex at a CdF site in Dunkirk. The other French link is via Technip, the engineering contracting company which is putting up one of the processing plants to produce ethylene—on the site.

Technip provides a striking example of the way in which these new, export orientated French companies have emerged on the international scene. Twenty years ago it had only just come into existence. Ten years ago it was doing only a limited amount of work overseas. Today the plants it has designed are going up all over the world, and it can claim to compete with almost any company in the international contracting field. As such, it is providing a considerable challenge to the leaders in the field—Britain, West Germany and the U.S.—as well as to the more recent entrants from Japan.

Technip is a typically French institution, of a kind which is found only rarely in other parts of the world. It was formed in the days when French policy-makers were particularly concerned about the so-called American challenge—the domination, or potential domination, of whole parts of their industry by big U.S. companies. At that time it was clear that a flood of orders for refineries in France was on the way, as part of the general expansion of the oil industry. The idea was to put together a domestically-owned contracting company which would be capable of [illegible] a large proportion of [illegible] contracts in France.

The totally deliberate way in which Technip was created by [illegible] the central industrial [illegible] France is reflected [illegible] shareholding structure. The two state-controlled oil companies, Elf Aquitaine and Compagnie Francaise des Petroles (Total), own about 26 per cent of the shares.

Another 43 per cent is held by ISIS, a group which links the Institut Francais du Petrole, a State-funded body for the oil industry and the three big nationalised banks. Other significant stakes are in the hands of CdF Chimie, the Atomic Energy Commission (also state-owned), and Pechiney Ugine Kuhlmann, the engineering and steel group.

Over the years Technip has developed a long way from its original home base. Once its first role of helping the expansion of the French petrochemicals industry was completed, it began to move overseas. Inevitably, it forged links with former French colonial territories, taking on a big contract in Algeria. Then it began to expand in Eastern Europe, helped by the thrusting French policy in that area. It added China—a big break-through.

In all, Technip engineers have worked on contracts in about 50 countries: "With about 10 affiliates overseas, we are becoming more and more an international company," says Guy Rupied, executive vice-president.

At the same time it has been expanding its technological base. From refineries and petrochemicals it went into the treatment of natural gas and then into a range of industrial sectors. It is now developing its position in a number of processing industries, including glass manufacturing, breweries, cement making and sugar refining.

The weakness of this policy is that it has probably made the company too dependent on overseas markets and subject to the volatility of the international contracting business. It has therefore recently attempted to move further into the domestic energy sector by acquiring a 34 per cent stake in SGN, the French nuclear waste processing company which has built the large new complex at La Hague, near Cherbourg.

The idea is to invest in a technology with clear growth prospects in France, which is now proceeding with its nuclear power programme more quickly than any other country in Europe.

Throughout this gradual evolution of the company, its objectives have remained the same. The first, and most important of these, is to create an organisation which wins orders to feed back into French manufacturing industry.

Engineering contracting itself is basically a "knowledge-based" activity—designing, adapting techniques, solving problems. It is now a fundamental tenet of French industrial policy, heartily echoed by Technip's top managers, that this is the sort of field in which France has a role to play like any other industrial country with a large reservoir of intellectual skills. Once the engineers have won the business, they can then pass on the hardware orders to the manufacturing sector.

From the primary aim, of sustaining French heavy industry, follows the second objective of building up exports. Having established itself in France, Technip began looking for and winning substantial overseas orders. These are clearly sustaining French industry and supplying it with contracts which would have gone elsewhere without it.

On any particular contract, the value added by Technip employees comes out at between 10 and 20 per cent. "Everything else goes on buying materials, most of which can be found in France. We are an extremely important channel for exports which would not be delivered otherwise," says Rupied.

Technip's third objective is to sustain steady growth. The group now has about 3,000 employees in France, against 60 at its formation in 1958, and a total workforce of about 4,000, including its Italian affiliate. Turnover has risen from FFr 333m in 1974 to FFr 1.5bn last year (a poor year, down by about FFr 150m in 1977).

These sales, of course, have a big locomotive effect on the country's heavy industry: out of the FFr 70bn to FFr 80bn of annual French capital goods exports, some FFr 1.5bn to FFr 2.0bn—or some 2 to 3 per cent—comes through the Technip contracts.

Some of this growth has probably been won at the expense of short-term profits. Technip admits that, particularly in recent years, it has been forced to tender extremely keenly for international contracts, partly because of the arrival of new competitors such as the Japanese, and partly because of the general depression in the contracting business.

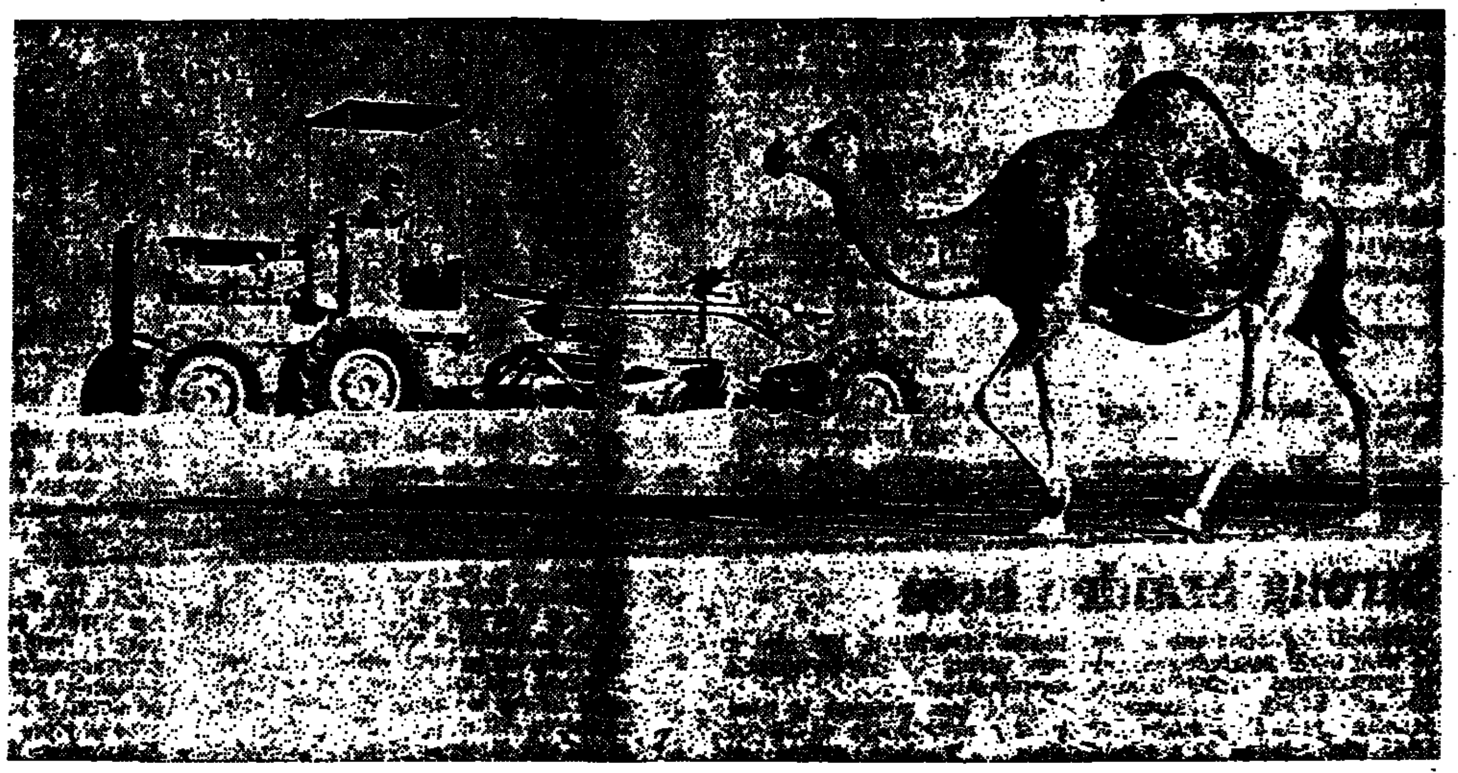
Whereas it has been able to sustain pre-tax profits at the rate of about 9 to 10 per cent of annual turnover in the last few years, its post tax profits, after charging depreciation and provisions have been running at less than 1 per cent. In 1978 it lost money.

It is at this point that the ownership concept behind Technip becomes extremely important. The company usually manages to pay an annual dividend to its shareholders, who have remained more or less the same from the outset. But it is clear to everyone that profits in themselves are not the primary objective of the company. The shareholders, of course, do not want it to lose money. But, like Renault in the motor industry, Technip's primary role is to generate activity in a broad cross section of industry. It is doubtful whether it could occupy this position if it were a quoted company on the Bourse required to make the kind of profits which would ensure its future funding.

Rupied explains the situation: "The structure of our capital makes us an instrument for a certain kind of policy. Take Elf, for example, with 25 per cent of our capital. I don't think that Elf bases its financial strategy on what we do. It demands that we shall not lose money, but I don't think that it expects us to make extremely high profits . . . we must continue to work to develop the company as a technical tool which promotes the technology of France."

The mass of pipes and steel now mounting steadily by the seashore in Qatar is part of this technological offensive. France still lies some way behind in the export race in Qatar, led by the newcomers from Japan and Germany, with the long-established British in third place. But it has made its impact in a part of the world where only a few years ago it scarcely had a presence.

When the ruler of Qatar went to Paris recently it was noted among the rest of the foreign community that his visit made a more than usually big splash in the local newspapers. "France has acted in this contract like France Incorporated," says one of these foreigners. "It will pay off."



Terry Kirk

The Caterpillar and the camel: contrasts on the road to Uu m Said, where Technip is working on a petrochemical complex.

Management abstracts

These summaries are condensed from the journals of abstracts published by Anbar Management Publications. Readers wishing to consult original texts should write to: PO Box 23, Wembley, HA9 8DJ.

Human Values and the Introduction of Technical Change. E. Mumford in Manchester Business School Review (UK), Vol 3 No 2: p. 13 (5 pages, chart)

Suggests that, for all the interest in the behavioural approach to management in the past 20 years, attitudes towards the design of computer systems still tend to produce routine, segmented and tightly-controlled work structures; argues that this concentration on short-term efficiency gains is counter-productive, and cannot produce satisfied workers whose interests coincide with those of the company; discusses ways of involving staff in the design of their own work.

Management Education: Current Action and Future Needs. N. Foy in Journal of European Industrial Training (UK), Vol 3 No 2: p. 1 (28 pages, diags.)

Reviews the newer approaches to management education that the author has found in a comprehensive study; takes an optimistic view of major changes identified, and pinpoints those with scope for meeting future needs. Calls for more crossing of academic/industry boundaries as well as more intra-academic communication and collaboration. Indicates areas of achievement and excellence in several spheres.

Operations v. Strategy. R. L. Banks and S. C. Wheelwright in Harvard Business Review (U.S.), May/June 79: p. 112 (9 pages, chart)

Focuses on the dangers of making attractive short-term operating management decisions that may adversely affect long-term goals with considerable financial consequences, and discusses categories of decision that involve appreciation of short/long-term trade-offs—postponing capital outlays, deferring or reducing operating expenses, and other operating changes. Examines why trade-offs are made, and how they can be controlled.

Management Innovations in Japan. S. Takezawa in Labour and Society (Switzerland), Vol 4 No 2: p. 129 (13 pages, chart)

Discusses how Japanese management has adapted to changes in worker values and attitudes, and reports on innovations in terms of employment security, remuneration (by reducing the importance of length of service and age in the rate for the job, and increasing qualification payments); and counter-measures against work alienation. Examines workforce issues that resulted from, or were emphasised by, the 1973 oil crisis.

THE PROPERTY MARKET BY MICHAEL CASSELL

Hammerson goes for Woolgate

"I SUPPOSE we must have worn them down" was this week's reaction from Mr. Sydney Mason, chairman of Hammerson Property and Investment Trust, to his agreed bid for Reunion Properties.

Reunion, the wholly-owned property offshoot of Jardine, Matheson, the Hong Kong based international trading group, has for 20 years played the role of minority partner with Hammerson in the ownership of Woolgate House, the 270,000 sq ft office block in the City.

Through Central Basinghall Investments, Reunion has maintained a 25 per cent stake in the property, with Hammerson holding the remainder, since the two companies joined forces in 1959 to develop the old Wool Exchange site in Coleman Street, EC2. Reunion had a leasehold interest in the site and Hammersons provided finance to buy adjoining properties and for the development.

When Reunion went public in June 1972, it valued its investment in Basinghall at £7.4m, a figure which had risen to £14.8m in the 1978 accounts. It is an open secret that Hammerson has, almost since the start, had an eye on 100 per cent ownership of Woolgate House and it is not through lack of effort that it has failed to do so.

Reunion came into the Jardine camp via its Matheson subsidiary in London, in 1973, bearing a £52.4m price tag. The acquisition was funded through a rights issue in Hong Kong at the height of the market. Mr. Mason's attempts to wrest the property—now occupied exclusively by Chase Manhattan at an annual rent of over £3½m—had until now come to nothing.

Hammerson's eventual success (subject to a shareholders' vote on December 13) could have come at a better time for the group, with property suffering badly at the hands of the stock market and its own shares lying about one third down on the year's high.

A placing at a higher price than 560p was considered but small shareholders were remembered, while a cash transaction would have jeopardised the dividend.

But Mr. Mason professes to having no qualms about the timing of the deal, with underwriters Kleinwort Benson behind him. He points out that around 200 sub-underwriters are also involved and Mr. G. R. Pinto, a director of Kleinworts, took an equally positive approach by suggesting the price provided "scope for profit for everyone."

The timing was, of course, in the hands of Jardine, the previously reluctant vendor, which declined to elaborate on whether the latest bid by Hammerson—anxious to have control before the impending revaluation of Woolgate House—simply involved more attractive terms this time or whether it merely suited the group to sell on this occasion. The cash, it said, would be redeployed to the "considerable advantage" of the group, though it would not elaborate.

It seems fair to suggest that Jardine has been able to make the running in respects other than timing. Mr. Mason will no doubt welcome the £8m of cash within Reunion but he may find it hard to summon up equal enthusiasm for all of the £20m property portfolio which comes with the package.

He is certainly not claiming that the property package handed on with the deal is up to Hammerson's "blue chip" standards although he claims it represents a useful portfolio which has been valued in a "conservative, Hammerson style."

Worthy of mention, apart from that valuable chunk of Woolgate House, is a Strand office block valued at over £3½m, a shop and office building in nearby Chancery Lane, also valued at over £3½m, and a £3m-plus Bedford office investment which is about half let.

Mr. Mason says the balance is made up of smaller individual properties, providing "some opportunities for some development," though this is likely to entail improvements to and expansion of existing investments rather than major new schemes — something which Hammerson in any case still refuses to contemplate in the UK.

Since Jardine Matheson took hold of the Reunion reins, only two major disposals have in fact taken place—Bevis Marks House in London and Lloyds House in Manchester. Matheson confirms that there have been few other notable changes, leaving Hammerson — perhaps uneasily if only temporarily—with at least some distinctly non-Hammerson investments.

These include Victorian cottages and town houses with residential as well as commercial tenants. Development potential cannot be disregarded, but with Hammerson reluctant to start new schemes such bits and pieces will presumably either remain in cold storage or be sold off.

Mr. Mason also has to take on what he describes as a "freak" £2.3m mortgage, attracting a princely 2½ per cent interest, which is due to be repaid to Matheson in 1983 by London and Northern Estates.

But Hammerson was clearly not prepared to risk losing the outstanding chunk of Woolgate House by refusing to accept other bits of the package as presented to it.

With full ownership now within its grasp, the group is being characteristically coy about the marriage value of putting together both interests in Woolgate House. A revaluation of the office block is due to be included in the 1979 accounts and the directors say that, under current market conditions and for a 100 per cent interest, the figure would be around £75m. That compares with the standing £18.75m valuation on its 75 per cent stake—exactly three-quarters of the £25m at which the property was last valued.

P & O space starts to go

The P & O Group has let part of the space in its Leadenhall St. headquarters, which is due to be vacated at the end of this year when the company moves to Beaufort House.

Standard Chartered Bank has taken the lease of the entire piazza level comprising 16,270 sq ft plus storage and car parking at an annual exclusive rental believed to be around £300,000. Standard Chartered will use the space to house staff being moved from Bishopsgate to allow redevelopment in the New Year.

Jones Lang Wootton and George Trollope advised P & O and are offering the top two floors of 19,300 sq ft at a rent of £450,000 a year.

● Rental values, as expressed by the Investors Chronicle Hillier Parker rent index, have fallen for the first time since it was started in 1977. Although the index shows that commercial rents have continued to show substantial gains rising by 15½ per cent per annum between May and November, retail prices have grown even faster. The result is a fall in rental values after *adjustment for inflation.*

● Artagen Properties, part of Sun Life Assurance, has started work on a £1.25m six-storey office development in Christchurch Road, Bournemouth. On completion at the end of 1980 the property will join the Artagen portfolio. Lalonde Bros. are sole letting agents for the 19,000 sq ft of offices.

● The Property Services Agency is to auction a major freehold estate in Bloomsbury, following the government decision to release surplus public-sector land and buildings. Eighteen lots will be auctioned next February 29 by Weatherall Green and Smith and the package comprises 164,000 sq. ft. of floorspace spread over 1.7 acres. The total rent roll is over £230,000 with many early reversions.

● Pearl Assurance has acquired a freehold warehouse investment of 140,000 sq. ft. in St. Brendans Way, Avonmouth, from Town and City. Price for the property—let to Butlers Warehousing—was £1.42m and Pearl was advised by Markham Vaughan Gillingham.

● Salomon Brothers International, which is taking three floors in Morgan House, Angel Court, is seeking a tenant for the 6,800 sq. ft. it now occupies in 1, Moorgate, but which will be vacated early next summer. The lease has just over two years to run and Jones Lang Wootton are quoting a premium of £150,000 to include substantial tenant improvements. Salomon has taken 15-year leases in Morgan House on rents significantly below the current quoting figure of £140,000 for a 10-year lease. Jones Lang Wootton are to sub-let one of Salomon's three floors on a five-year lease and the quoting rent is £128,000 a year.

Accountants seek common ground

SCOTTISH ACCOUNTANTS are holding out against a recommendation from the Accounting Standards Committee which would effectively exclude most property companies from charging depreciation on buildings.

The committee, which is sponsored by the six leading accountancy professional bodies, has recommended that an investment property which is accounted for on a "current value basis" should "not be subject to periodic charges for depreciation."

It says, however, that depreciation charges should be made where investment properties are accounted for on a cost basis. As most property companies now carry out regular revaluations the recommendation would exclude most property businesses from charging depreciation.

To qualify for current value status, the Accounting Standards Committee has recommended that properties be valued annually, but, surprisingly, has not required periodic independent valuations.

So far, five of the six accountancy bodies have accepted the recommendations but the Institute of Chartered Accountants of Scotland have still to agree. The recommendation cannot be included within the SSAP 12 accounting standard on depreciation without unanimous agreement.

A spokesman for the Scottish institute said: "We have not reached a final decision but are concerned that there may be some conflict between the two proposals—the cost and depreciation route or the revaluation route. We would have liked to see a single approach."

The institute is also thought to be concerned about the absence of any requirement for regular independent valuations. A final decision on the outcome of the recommendations is expected to be made by the end of this year.

The Accounting Standard's Committee's recommendations were expected to mark the end of a long running debate between the industry and the accountancy profession over how property companies should best treat the value of investment properties.

It is important that agreement should be reached with the accountants if property companies are not to find themselves required to make depreciation charges under the EEC Fourth Directive on the harmonisation of company law, which has to be implemented by July 1982.

Property companies plan to base their case for exemption from depreciation requirements under the Fourth Directive on the fact that agreement has already been reached between the industry and the accountancy profession on the best method of producing a "true and fair view of accounts" — the overriding principle of EEC directives on company law.

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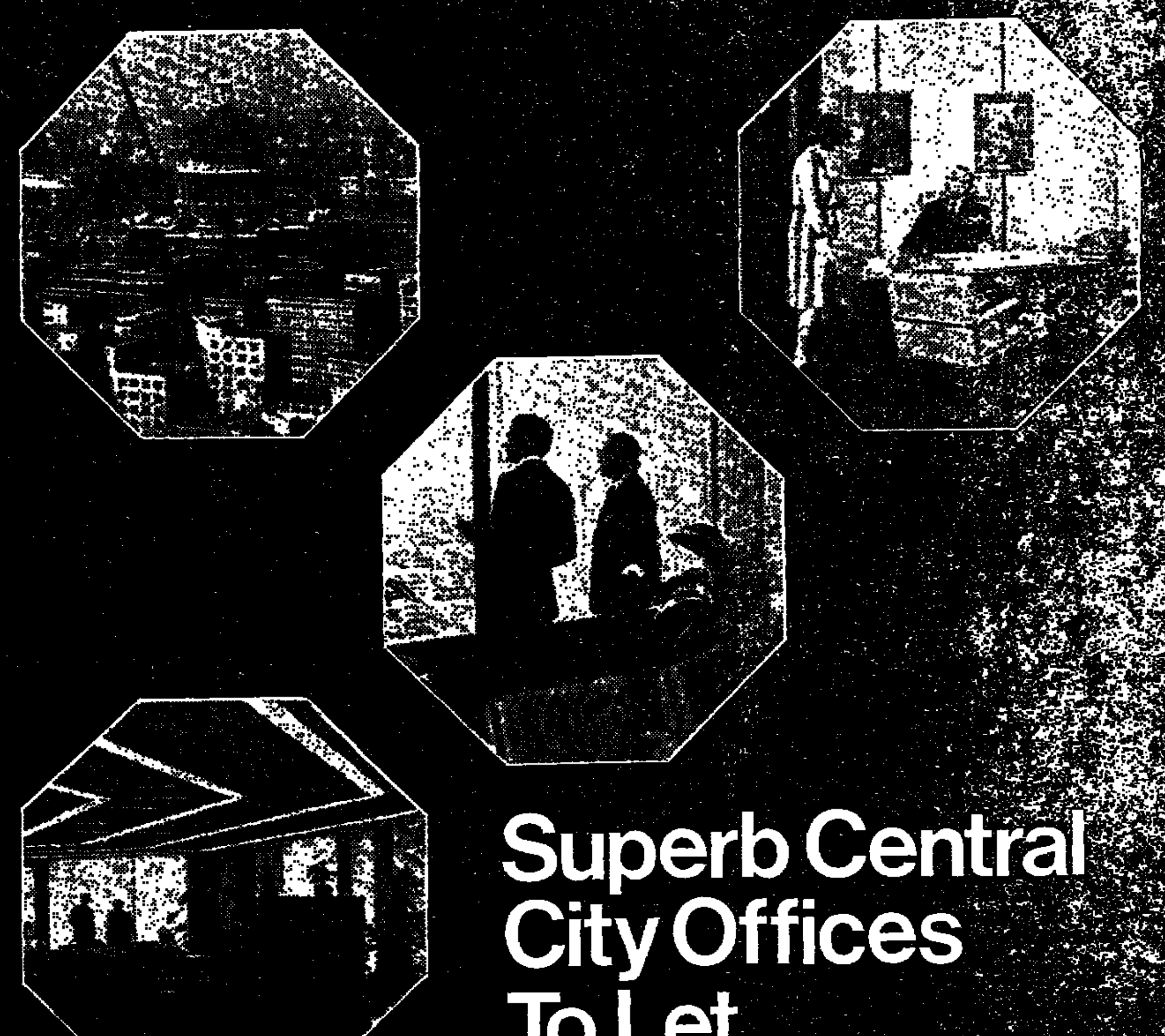

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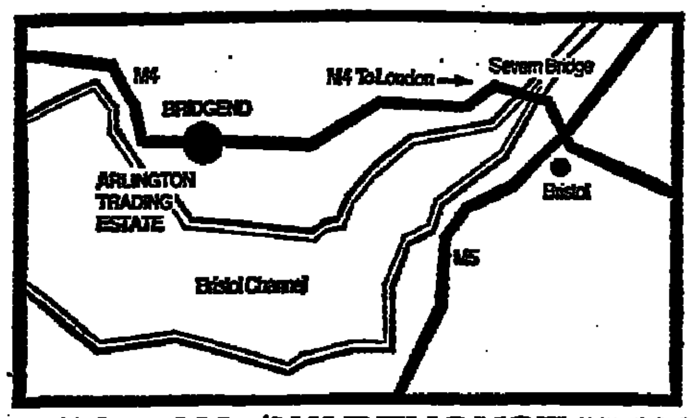

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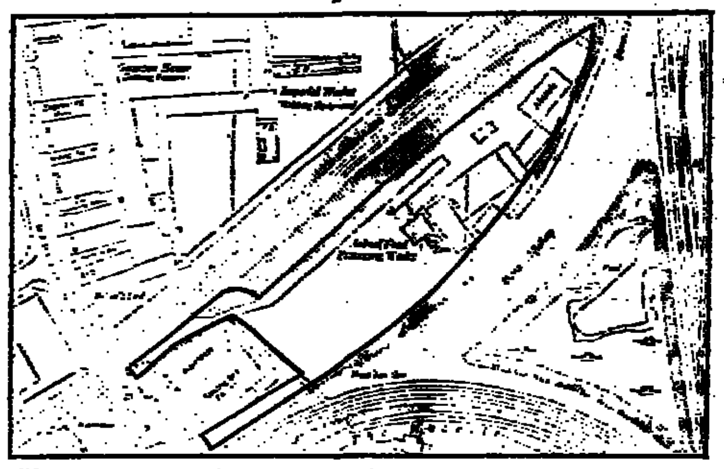

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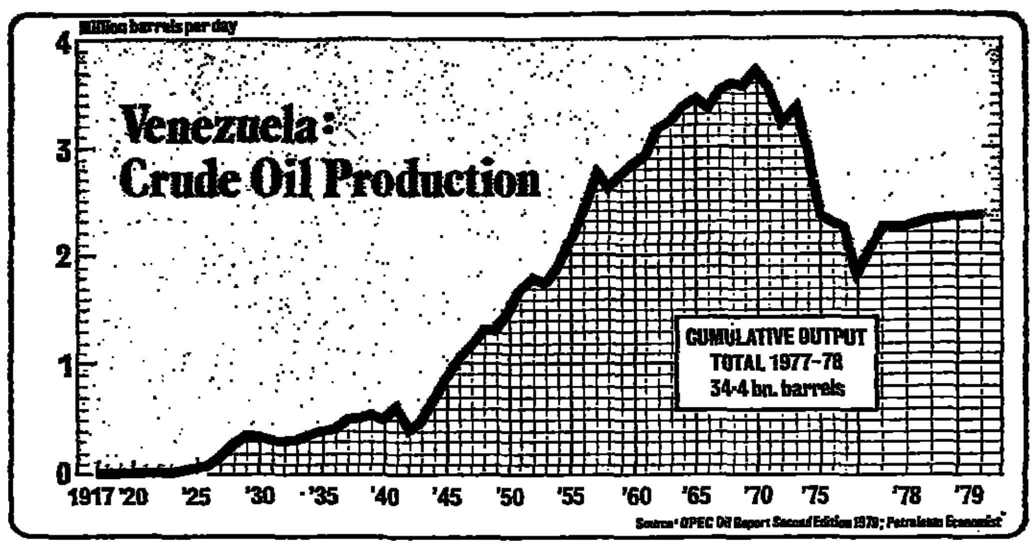
ENERGY REVIEW: VENEZUELA

BY KIM FUAD IN CARACAS

No immediate bonanza up the Orinoco



THE ORINOCO oilbelt, cinderella of Venezuela's oil industry in the 40 years following its discovery in 1936 has been avidly courted in the 1970s by suitors anxious to tap its huge, but tantalisingly unevaluated potential.

Sporadic speculation over the true magnitude of Venezuela's heavy oil deposits surged into public view this week when a United Nations official erroneously endowed the South American oil giant with almost the equivalent of the entire world's proven petroleum reserves.

But the UN spokesman who misread one of the papers presented to the Unitar Conference on Energy in Montreal and told newsmen that Venezuela had 500bn barrels of recoverable oil versus a world total of 640bn—was just another victim of the alluring Orinoco oilbelt.

The belt, running some 375 miles along the northern bank of the Orinoco River, has been variously described as the Western hemisphere's — and even the world's — largest deposit of heavy oil. Unofficial estimates of oil in place in the belt have ranged from 700bn to about two trillion barrels. With an average 10 per cent recovery factor for the oil, using conventional production methods, the low estimate gives Venezuela about half of Saudi Arabia's proven reserves, while the high estimate gives it 30 per cent more than those reserves.

Venezuelan oilmen, who would like to see the belt producing between 500,000 to 1m barrels-per-day by the end of the century, are sure they are dealing with the world's largest untapped accumulation of oil, but insist that it will take years to define the amount of oil it holds with any certainty.

Difference

"Everybody agrees that there's an enormous amount of oil in the belt," said Dr. Carlos Borregales, the State Oil Monopoly's (PDVSA) chief of Orinoco oil development. "But we lack sufficient information to give a solid figure. If we gave different geologists the existing data, each would come up with a different figure."

But even if the belt's reserves were to surpass Saudi Arabia's world-leading volumes, there would be a major difference. While most Middle East oil flows prolifically and provides the desired high yield of gasoline and other light products for consumer country refiners, the Orinoco oil is a hard-to-extract, viscous crude, laced with sulphur and metals, and a poor source of the products that refiners want.

This is why the oilmen who sank the first well into the belt in 1936 turned away in disgust with the flow of 10 gravity crude. They sought easily-produced light crude with its high demand on world markets and not a molasses-like goo with no buyers.

But even before the 1970s, when higher prices and the spectre of tight supply enhanced the belt's importance, some foreign oil companies foresaw the belt's potential.

The first evaluation of the belt's potential, an extrapolation of data from 42 wells drilled in fringe areas, came in 1967, when Venezuelan geologists Sr. Jose Antonio Galavis and Sr. Hugo Velarde handed the Seventh World Petroleum Congress a paper estimating the belt's in place resources at around 700bn barrels.

Four years later, when Mr. James E. Aikens, then U.S. State Department energy expert, visited Venezuela and was briefed on the belt, he exclaimed, "this has to be ours." The U.S., chief market for Venezuelan oil since 1929, immediately began drafting a proposal for joint U.S.-Venezuelan evaluation and development of the belt, under a government-to-government treaty calling for amortisation of U.S. and other foreign oil company investments as well as repatriation of reasonable profits.

Mr. Aikens's proposal boomeranged. Venezuela, rankling under over half a century of exploitation of their oil by foreign companies, declared the belt out of bounds. Orinoco oil was a resource for the future, to be developed by Venezuelans, said President Rafael Caldera at the time.

By the mid-1970s, however, the future had caught up with the Venezuelan oil industry. After almost 60 years in which Venezuela provided one out of every five barrels of oil exported worldwide — 35bn barrels in all—traditional fields began to decline rapidly, with output falling from 3.7m b/d in 1970 to 2.3m b/d by 1975. Even use of secondary recovery—providing half of the output—failed to reverse the trend. Moreover, faced by nationalisation, which came in 1976, foreign companies had virtually ceased exploration, concentrating their investments on fields giving the highest yields and thus giving them a fast return.

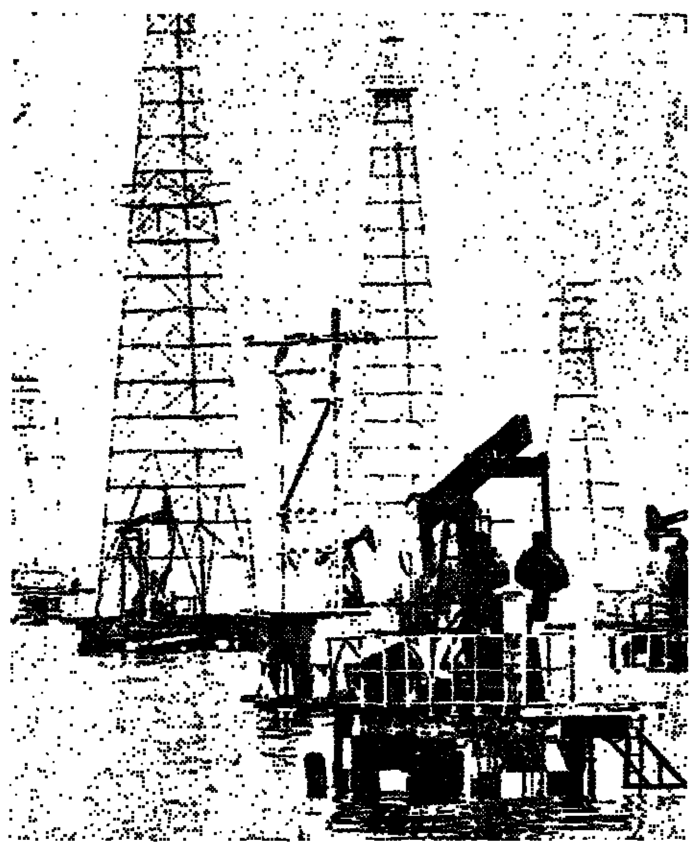
Since nationalisation, despite efforts to reactive exploration (investment in which increased from $100m to $245m between 1976 and 1979) returns in the form of additional reserves on top of the current proven level of 18bn barrels have been scant. Energy Minister Humberto Calderon Berti has established a two-pronged approach to the problem, with exploration for conventional crudes undertaken simultaneously with evaluation and development of the Orinoco heavy oils.

"Venezuela will be a producer of heavy oil in the future," he says. Meanwhile the country will continue to try to replenish its light and medium oil reserves. Thus, in the 1980s, after a number of false starts, Venezuela's oil cinderella may have finally found its glass slipper in the conjunction of Venezuela's needs and the growing world market.

Evaluation

As Venezuela undertakes the first major evaluation and development of the belt, there remain a number of traditional questions to be answered: does the belt really have that much oil, can it be produced and upgraded commercially, and will consumers accept it?

Starting next year, PDVSA will invest some $700m up to 1985, drilling over 500 wells—against 120 wells in the belt to date—and shooting some 15,000 kilometers of seismic lines. The aim is both to evaluate the 19,000 square-mile area, and to define known deposits for siting development wells. By the end of the five-year period, Venezuela should be able to give a clearer picture of the belt's resources. The wells will be drilled down to depths of between 2,500 to 3,000 feet, compared with deep drilling in new horizons of traditional areas and offshore, which goes down to 15,000 feet. They will cost an average $700,000 each, including tests at different intervals.



Traditional Venezuelan oil production on Lake Maracaibo.

The oil, although ranging to as low as eight degrees gravity API, flows by reservoir pressure or conventional pumps, unlike Canada's oil sands. Wells have flowed from a dribble to up to 300 b/d. Using such methods, output costs average about $2 a barrel, according to PDVA's Dr. Borregales.

Venezuela will apply its experience in thermal recovery to the belt, using steam as well as experimenting with in situ combustion. Initially, the so-called huff-and-puff system of pouring steam into a producing well and then allowing it to flow will be used. This will be followed up with constant steam injection—steam drive—using an injector well surrounded by producing wells. In existing heavy oil fields in western Venezuela, this combination has raised recovery factors from 20 to over 40 per cent.

Large-scale application of thermal recovery will not be cheap, Dr. Borregales warned, noting the need to establish infrastructure in the remote belt areas. This means that per-barrel output costs could rise substantially over the $2 mark.

Producing heavy oils poses no real technical problem for Venezuelan oilmen, except in insufficient human resources for the magnitude of the task. But at the heart of the problem of developing the Orinoco oil is its upgrading from a non-conventional heavy crude into a lighter, synthetic oil, stripped of sulphur and metals, and able to provide refiners with a high yield of light products. Venezuela has virtually no experience in this area and will have to depend on imported technology to face the challenge.

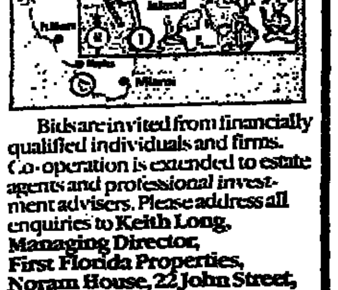
Dr. Borregales says that PDVSA does not intend to experiment in upgrading its Orinoco oil and will use commercially proven technology, such as Exxon's coking systems. Energy Ministry experts say that such processing can convert 125,000 b/d of 10 Gravity Orinoco crude into about 100,000 b/d of 28-30 gravity oil, free of sulphur and metals, plus some 3,500 tons per day of petroleum coke.

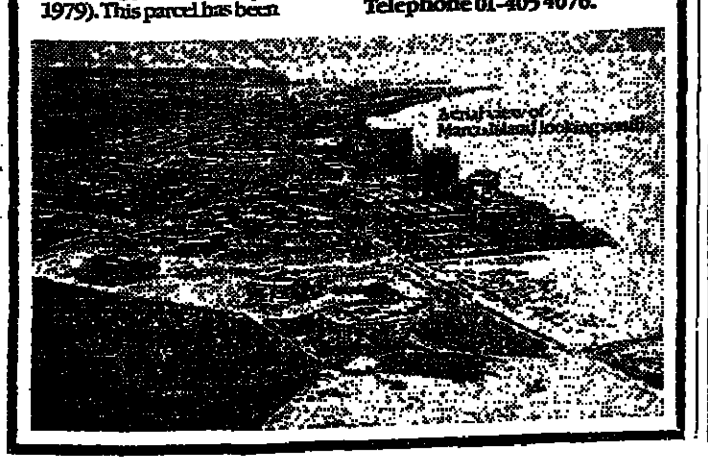
At present, PDVSA plans call for establishing a 125,000 b/d project in the eastern part of the belt, at Cerro Negro, which would produce and process the oil. Further to the west, experience in heavy oil output in fringe areas should allow for producing around 200,000 b/d of untreated crude. The immediate goal is to achieve a production capacity of 300,000 b/d of upgraded and untreated Orinoco oil by around 1988.

Energy Minister Calderon insists that Venezuela should market both upgraded and untreated oil, or a mixture of the two. He feels that consumer countries, faced by short light oil supplies, must adjust to heavy crudes, making the capital investment in remodelling their refineries, instead of leaving the burden to the heavy oil producers.

At this point, however, this may not be possible. Parallel reports for PDVSA by three companies indicate the U.S. refiners would be happy to buy upgraded Orinoco oil, but are reluctant to accept untreated oil.

INTERNATIONAL PROPERTY





LOMBARD

The language of the Left

BY BRIAN GROOM

THE LEFT, it has often been said, are given to over-using metaphors derived from the battlefield. Since Mrs. Thatcher was elected on May 3, war itself has been declared practically every other day in the Morning Star. To say this is not the same as criticising the Left's ideas.

All ideas deserve to be expressed with the greatest clarity; it is painful to see people weakening the impact of what they have to say in the belief that they are making it more forceful.

Prejudices

The vocabulary of the class war has two off-putting effects. First, its repetitiveness gives an impression that the writer is substituting prejudices for thought. And second, the jargon appears exclusive: it builds a wall between those who are Left-wing in all respects and those who are not. It is hard to convince someone on an individual issue when he is confronted with a vocabulary which implies common attitudes to all issues.

A quite different form of off-putting jargon is used by a number of Left-wing academics. Not all by any means, but some. A new book, Official Discourse*, by Mr. Frank Burton and Ms. Pat Carlen, contains much writing in the following vein: "Paradigmaticity and syntagmaticity are the immediate ecosystemic constituents of a discourse's global structure, the ineffective effectivities of an extra-discursive desire which exists both before and beyond discourse."

In fact, their book analyses the reports of public inquiries into law and order issues, which, they argue, are aimed at producing "jurisprudential justifications for the coercive and administrative practices of the State." It contains many generalisations (some right, some wrong), a few pieces of false logic, and a number of penetrating comments on specific examples. What is distressing is that these, because of the jargon in which they are enclosed, will be read by but a few. Why do people write like this?

One suggestion is that some Marxists need to dress their works in respectable intellectual garb to disguise their stark, simple, political polemics. It would be a pity, however, if they felt it was necessary to write in this way; and a pity if the writers so lacked confidence in their works that they sought to pad them with jargon.

Mr. Burton and Ms. Carlen do not seem guilty of this. They appear to have been genuinely impressed by recent critiques of traditional academic thought. V. Volosinov is quoted as saying "the word is the ideological phenomenon par excellence," so the authors use a hybrid jargon to free themselves from "the language of class domination."

Even if one has sympathy with this view, there are problems with its consequences. First, the authors can provide an escape—if an "escape" is necessary—by this means only for themselves and a handful of like-minded academics. The working man, and just about anyone else for that matter, will never talk of paradigmaticity: a revolution will not alter that. It is true that many philosophers have failed to make their words easily accessible to the common man, but surely for radicals there is some urgency to persuade, to make their works accessible rather than exclusive? Perhaps the reply will be that, according to Marx, revolutions are caused by historical forces, and not by the urgings of men.

Dialogue

Second, the authors may avoid writing in the language of the status quo they reject, but they confront their own readers with a similar problem. It is virtually impossible to begin a critical dialogue within the confines of the authors' terms. It may be desirable for us all to make our own vocabularies, but we should be clear that it is anarchic. Better, perhaps, to use our common language and to avoid those words one finds objectionable.

Can those who did this have been wrong? Gerrard Winstanley, the Diggers' leader in the English revolution, was himself a working man but wrote some of the finest English prose. And he saw in his lifetime, however briefly, the old world "running up like parchment in the fire."

* Routledge & Kegan Paul; £7.50.

AROUND BRITAIN

PRESTON

A sad birthday

BY RHYS DAVID

A SERIES of industrial closures during the past few weeks have put a dampener on the end of what was meant to be Preston's big year. The town, seat of Lancashire County Council and the administrative base for central and northern parts of the county, received its first charter 800 years ago. To celebrate it no fewer than 168 different events have been held in the course of the year.

In recent weeks, however, the complex problems confronting the textile industry have resulted in Carrington Viyella's decision to close down its A. S. Orr garment factory at Bamber Bridge, with the loss of 800 jobs; and in rationalisation with the loss of 150 jobs at Plumbs, stretch cover manufacturers. Even worse, Courtaulds has announced that it will be closing its viscose filament plant in the town, which has fallen victim to changes in the tyre industry, main market for the Red Scar plant's yarn. Some 2,600 persons work there.

A further blow came with the town council's decision to shut the loss-making dock system over the next two years. The port has never recovered from the loss of several important trades in the 1960s and early 1970s. With general cargo business continuing to decline the council decided to give up the unequal struggle. More than 300 jobs will be lost.

These setbacks occurred within weeks of a government decision that the central Lancashire area, including Preston, should lose its Intermediate Development Area status in 1982. Unemployment in the area has been somewhat below the national average, and some way below that for the North West as a whole. In Preston the rate is now certain to climb as the Courtaulds workers are paid off in the new year. This closure could cause a particular effect by increasing immigrant unemployment rates in a town where relations with the host community have at times been uneasy. About one third of all those now to lose their jobs at Courtaulds are Asians.

Preston — together with the neighbouring communities of Chorley and Leyland — forms part of the Central Lancashire New Town (CLNT) designated in 1968, as one of a number of growth centres intended to cater for the then expected increase of the British population during the last quarter of this century. The projections have since been revised downwards, and CLNT's own target has been scaled down from 420,000 to 285,000. In its relatively short period of existence the new town corporation has already made a sizeable impact on the employment, economic, and environmental problems of the area.

A greenfield site of some 250 acres has been developed by the corporation at Walton Summit to which a large number of small businesses have been attracted. A Belgian motor components group, Bosal, has taken a 250,000 sq. ft. factory at the site. New housing to replace older properties in the three existing towns has been developed in a series of villages, each with its own village green or centre.

In co-operation with Preston Council, CLNT has begun a programme of urban renewal, involving initially the rehabilitation of about 3,000 older properties. The CLNT corporation is developing a 60-acre industrial site in Preston itself at Roman Way, next to Courtaulds' plant, and is co-operating with the borough in drawing up schemes to utilise the dockland space which will now be released as a result of the port closure.

Though the new town authorities have succeeded in diversifying the economic base of the area, the backbone of the local economy continues to be vehicles and aerospace, both of which, despite certain problems, are currently expanding. The successful Leyland truck business provided the core around which Britain's domestically-owned motor industry was reorganised in the late 1960s, and although the plant in Leyland itself clearly cannot be isolated from the troubles affecting the group as a whole, Leyland Vehicles, as the truck division is known, has until recently been one of BL's profitable segments.

The division slipped into deficit last year and is unlikely to pass break-even point this year. But by next June it will have spent more than £100m over a two-year period on re-equipping its factories in the Preston area. The money is going into three major new projects.

A £30m truck assembly hall is going up from which a completely new range of models will emerge over the next few years. Production capacity is being increased from the present 120 a week to 425 a week in a determined bid to regain some of the market share lost to imports.

Second, on a 250-acre site at Moss Side leased from the new town, Leyland vehicles is building a £38m new engineering centre and test track. Finally, the group is expanding its parts operation at Chorley at a cost of £12.5m.

Another major commercial vehicle producer in the area, Seddon Atkinson, part of the International Harvester group, is expanding its parts distribution centre at Walton Summit at a cost of £2.5m.

The nationalised British Aerospace Corporation has one of its principal sites in the Preston area with 17,500 employees or roughly a quarter of the total corporation labour force. It accounts currently for £1.4bn of the total order book of roughly £2.7bn, largely because of buoyant demand for the military products Preston produces.

The three factories in the area are responsible for the Tornado aircraft being developed jointly with Germany and Italy, for the Anglo-French Jaguar, and for the service contract first signed in 1973 with Saudi Arabia for training its air force and providing other technical assistance. This contract has so far been worth more than £1bn to the UK.

Preston "originals": the Arkwright spinning machine and its creator, Sir Richard.

For all these reasons no one is saying that the closure of Courtaulds is going to spell doom for Preston. If there is a touch of sadness going beyond concern because of the loss of jobs, it is that another link with the textile industry, which created the modern town, has now gone. It was in Preston in the late 18th century that two of the great names in the history of cotton, Richard Arkwright and John Kay developed spinning machinery which was to revolutionise cotton. It made possible the factory system for producing textiles, and led on to much that has happened since in industrial history.

Bachelor's Hall has the form

RACING

BY DOMINIC WIGAN

BECAUSE of a technical error in the compilation of weights Bachelor's Hall has been "thrown in" at 11st 1lb for this afternoon's Palace Handicap Chase at Sandown, and Peter Cundell will be counting his good fortune.

On Monday the young Compton trainer strongly attacked the system of raising weights at the four-day declaration stage in handicaps. Cundell said after Bachelor's second-place comeback at Leicester: "It is high time the maximum weight was made 11st 7lb, as in Ireland." He added: "You are pandering to bad horses by raising the weights and punishing the stars. That is not what racing is all about."

However, in view of that statement his suggestion that it would be good "to open the bottom of the handicap and go down to 9st 7lb" would probably in most cases see a return to the present status quo were the steps he advocates are implemented.

Returning to Bachelor's Hall, the Dusky Boy gelding was in no way disgraced against a fitter rival in Badsworth Boy on Monday. He led until the penultimate fence where he was headed by the 15-8-on winner. However, he ran on in particularly game fashion throughout the closing stages and at the line was just two lengths adrift of the winner from whom he was receiving 2lb.

There are two exciting races in prospect for the respective divisions of the Regents Novices Hurdle. In the first, I am prepared to give another chance to Shane Hill, a bitter disappointment last time out after a second placed run behind Esparto at Newbury; while Rhyme Royal has been schooling in such eye-catching style that defeat will come as a disappointment in the second division of the race.

SANDOWN

1.00—Shane Hill***
1.30—Drusus**
2.00—Bachelor's Hall
2.30—Aldaniti*
3.00—Praynkta
3.30—Rhyme Royal

TV/Radio

† Indicates programmes in black and white.

BBC 1

9.05 am For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Camberwick Green. 2.02 For Schools, Colleges. 3.20 Pobol y Cwm. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Maxidrag. 4.25 Jackanory. 4.40 Hong Kong Phooey. 4.55 Crackerjack. 5.35 Ivor the Engine.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
7.00 Cat Food.
7.05 Are You Being Served?
7.35 My Wife Next Door.
8.05 Penmarric.
9.00 News.
9.25 Ice Figure Skating Championship of Great Britain.
10.00 Points of View (London and South East only).
†10.05 Lucille Ball in "The Lucy Show."
10.20 Regional National News.
10.35 Snooker: Coral UK Professional Championships Final (highlights).
†11.25 The Late Film: "Guns at Batasi" starring Richard Attenborough.

All Regions as BBC1 except at the following times:

Scotland—3.25-3.45 and 11.00-11.20 am For Schools. 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 7.05 Party Political Broadcast by the Scottish National Party. 7.15-8.05 Songs of Scotland (gala for St. Andrew's Night). 10.00 Spectrum. 10.30-10.35 Regional, National News.

Wales—1.45-2.00 pm Y Cowboi Bach. 2.02-2.22 I Ysgolion. 5.55-6.20 Wales Today. 7.05 Heddiw. 7.35-8.05 Rolf Harris's Cartoon Time. 10.00 Week in Week Out. 10.30-10.35 Regional, National News.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.00 Make Mine Country. 10.30-10.35 Regional, National News.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.00-10.30 East (Norwich) Encounter; Midlands (Birmingham) Midlands Tonight; North (Leeds) Close-up North; North East (Newcastle) Coast to Coast; North West (Manchester) Home Ground; South (Southampton) It's Your Bid; South West (Plymouth) Newswatch; West (Bristol) Flying High.

BBC 2

11.00 am Play School (as BBC1 3.55 pm).
†5.40 Laurel and Hardy in "Be Big."
6.05 Monkey.
6.50 Animation at Cambridge.
7.05 Better Badminton.
7.30 Mid-Evening News.
7.40 In The Country.
8.10 The Rainhill Story.
9.00 "The Adventures of Robin Hood" starring Errol Flynn.
10.40 John Betjeman's Dublin.
11.10 Late News.
11.25 Scars of Autumn (repeat).
12.30 am Closedown reading.

BBC2 Scotland only—5.30-5.40 pm: A Party Political Broadcast by the Scottish National Party.

LONDON

9.30 am Schools Programmes. 10.26 The Wanderer Butterfly. 10.48 Schools (continued). 12.00 The Learning Tree. 12.10 pm Rainbow. 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Simply Sewing. 2.00 After Noon Plus. 2.45 Friday Matinee: "Nurse on Wheels." 4.15 The Feathered Serpent. 4.45 Magpie. 5.15 The Brady Bunch.

5.45 News.
6.00 Thames News.
6.30 Thames Sport.
7.00 The Muppett Show.
7.30 3-2-1.
8.30 The Comedians.
9.00 Hawaii Five-O.
10.00 News.
10.30 Soap.
11.00 The Do-Gooders.
11.45 Vegas.
12.45 am Close: A personal choice with Roy Hudd.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 2.45 Friday Film Matinee. 5.15 Bailey's Bird. 6.00 About Anglia. 11.00 Friday Late Film.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 2.45 Movie Matinee: "Genevieve," starring John Gregson, [illegible]. 5.15 Alright Now. 6.00 ATV Today. 9.00 S.W.A.T. 11.00 A Date With [illegible]. 12.45 am A Human Face of China.

BORDER

1.20 pm Border News. 2.45 Friday Matinee: "Appointment with Venus," starring David Niven and Glynis Johns. 5.15 Bailey's Bird. 6.00 Lookaround Friday. 6.30 Mr. and Mrs. 10.30 Border Match. 11.00 Friday Night Movie: "Baffled." 12.45 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News and What's On Where. 2.45 The Friday Matinee: McMillan. 5.15 In Search of... 6.00 Report At Six. 6.35 Talking Bikes. 10.28 Channel Late News. 10.35 Movie: "The Morning After." 12.10 am The Danton Review. 10.55 Late Night News and Weather in French.

GRAMPIAN

9.20 am First Thing. 1.20 pm Grampian News Headlines. 2.45 Friday Matinee: "Light up the Sky," starring Ian Carmichael, Tommy Steele and Benny Hill. 5.15 Mork and Mindy. 6.00 Grampian Today. 6.25 Party Political Broadcast by the Scottish Nationalist Party. 6.30 Sportscall. 10.30 The Entertainers (Stephane Grappelli). 11.00 The Late Night Horror Show: "The Haunted House of Horror." 12.35 am Reflections. 12.40 Grampian Late Night Headlines and Road Report.

GRANADA

1.20 pm Granada Reports. 12.00 The Friday Film: "The Scarlet Pimpernel," starring Leslie Howard and Merle Oberon. 3.45 Cabbages and Kings. 5.15 Mr. and Mrs. 6.00 Granada Reports. 6.30 Kick Off. 10.30 Double Vision. 11.15 The Friday Film.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.45 The Friday Matinee: "Three for the Road." 5.15 Makin' It. 6.00 Report West. 6.15 Report Wales. 6.30 Barney Miller. 9.00 Streets of San Francisco. 10.35 Report Extra. 11.05 The Late Film: "Ben."

HTV Cymru/Wales—As HTV General Service except:—1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.15-4.45 Tyrchod Pontus Ar Wasliod Yr Andd. 6.00-6.15 Y Dydd. 10.35-11.05 Oh No, It's Selwyn Froggitt.

HTV West—As HTV General Service except:—1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

1.25 pm News and Road and Weather. 2.45 Friday Matinee: "Brenda Starr." 5.15 Mr. and Mrs. 6.00 Scotland Today. 6.25 A Party Political Broadcast by the Scottish National Party. 6.35 Talking Scots. 9.00 St. Andrew's Night. 10.30 Ways and Means. 11.00 International Curling. 11.30 Late Call.

SOUTHERN

1.20 pm Southern News. 2.45 House-party. 3.10 Cartoon. 3.15 General Hospital. 5.15 Mr. and Mrs. 6.00 Day By Day. 6.00 Scene South East (South East area only). 6.30 Cabbages and Kings. 9.00 Hawaii Five-O. 10.30 Southern News Extra. 10.35 Talking Bikes. 11.05 Soap. 11.55 The Late, Late Show: "Fox."

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 2.45 Friday Matinee: "Operation Bullshine," starring Donald Sinden. 5.15 Makin' It. 6.00 Northern Life. 10.35 Friday Live. †12.00 Midnight Movie: "The Paradine Case," starring Gregory Peck and Charles Laughton. 2.05 am Epilogue.

ULSTER

1.20 pm Lunchtime. 2.45 Friday Matinee: "The Intruder." 4.13 Ulster News Headlines. 5.15 Mr. and Mrs. 6.00 Good Evening Ulster. 9.00 The St. Andrews Day Show. 10.30 Sportscast. 11.00 Friday Night Film: "The Savages," starring Andy Griffith. 12.25 am Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.45 The Friday Matinee: McMillan. 5.15 In Search Of... 6.00 Westward Diary. 6.30 The Weekend Show. 6.50 Jack The Job. 10.32 Westward Late News. 10.35 The Danton Review. 10.55 TV Movie Premiere: "The Morning After." 12.40 am Faith for Life. 12.15 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 2.45 Friday Film Matinee: "Escape To Burma." 5.15 University Challenge. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Calendar Sport. 11.00 Tonight's Detective: Nero Wolfe.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	200kHz/1500m & 92.95vhf	BBC Radio London: 1458kHz, 206m & 94.9vhf
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	1215kHz/247m	Capital Radio: 1548kHz, 194m & 95.8vhf London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 6.31 Roundtable. 8.00 As Radio 2. 10.00 The Friday Rock Show (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Tony Brandon (S). 7.32 Terry Wogan (S). 10.03 pm Jimmy Young (S). 12.15 Waggoners' Walk. 12.30 Derek Hobson's Open House (S). 2.15 David Hamilton (S). 4.15 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 John Dunn (S). 6.45 Sports Desk. 7.02 Listen to Les (S). 7.30 Fiesta de Dorita (S). 8.02 Friday Night is Music Night (S). 9.55 Sports Desk. 10.02 Sam Costa (S). 10.30 Pete Clayton with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

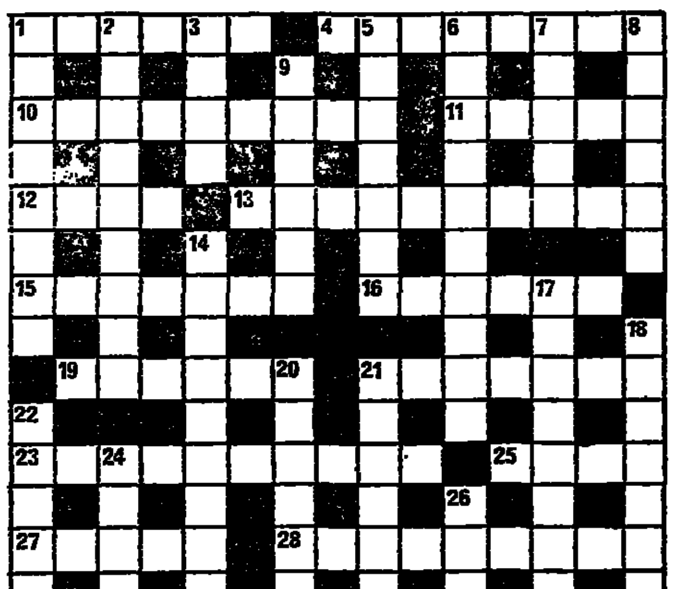
RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture Concert, part 1 (S). 8.00 News. 8.05 Concert, part 2. 9.00 News. 9.05 This Week's Composer: Soler and Arriaga (S). 9.45 BBC Northern Ireland Orchestra (S). 10.30 Young Artists Recital (S). 11.25 Dvořák's Mass in D (S). 12.15 pm Midday Prom Concert, part 1 (S). 1.00 News. 1.05 Collecting in Calcutta (talk by Kishore Chatterjee). 1.20 Midday Prom, part 2 (S). 2.05 The Arts Worldwide. 2.25 Bach Motets (S). 3.15 Schubert concert (S). 4.00 Playing Fields (S). 4.25 Comparing Notes (S). 5.25 Homeward Bound (S) including 5.45-5.50 News. 6.15 At Home (S). 7.10 One Pair Of Ears. 7.25 Play it Again (S). 7.30 Fiesta de Dorita recital, Part 1 (S). 8.10 Changing Qualities of Chinese Life. 8.30 Paul Boutin recital, Part 2 (S). 9.15 Furtwangler (talk by Dav J Cairns). 10.00 Scottish National Orchestra concert, part 1 (S). 10.50 Interval reading. 10.55 Concert, part 2. 11.40 Furtwangler conducts Mozart. 11.55-12.00 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News Headlines, 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 Listen with Mother. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 You, The Jury. 11.50 Bird of the Week. 12.00 News. 12.02 pm You and Yours. 12.27 My Word! (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour from Glasgow. 3.00 News. 3.02 Listen with Mother. 3.15 Enquire Within. 4.00 News. 4.05 Story Time. 4.45 Short Story. 5.00 PM News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile of Ian Smith, former Prime Minister of Rhodesia. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Week Ending (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 11.45 Just Before Midnight (S). 12.00 News.

F.T. CROSSWORD PUZZLE No. 4,139



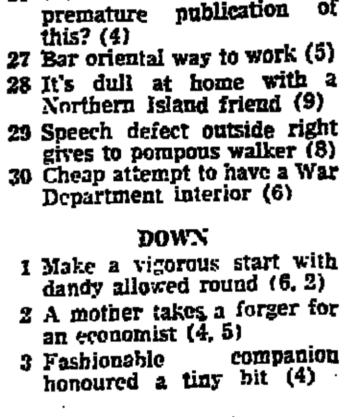
ACROSS

1 Words of dismissal become a little bird (4, 2)
4 My claim to be right is wrong (8)
10 Opportunity fellow happened to meet (7, 2)
11 Tom initially gets what's left of good card (5)
12 Left by fool of a girl (4)
13 Agents arresting motorists record sound of smashes (4, 6)
15 Jet plane handled by Britannia (7)
16 Changing the Indian Civil Service rules of conduct (6)
19 Topmost branch ought to reveal bird (6)
21 Leaves for golf with first class oriental perhaps (7)
23 By-product of roast beef joins school financial band-wagon (5, 5)
25 Would old boy object to premature publication of this? (4)
27 Sør oriental way to work (5)
28 It's dull at home with a Northern Island friend (9)
29 Speech defect outside right gives to pompous walker (8)
30 Cheap attempt to have a War Department interior (6)

DOWN

1 Make a vigorous start with dandy allowed round (6, 2)
2 A mother takes a forger for an economist (4, 5)
3 Fashionable companion honoured a tiny bit (4)
5 Here's one in the eye for the dandy (7)
6 Profit is over 50 per cent on ticket home (6, 4)
7 Courage to make quiet fortune (5)
8 Salesman has a way with food (6)
9 A divine one caught first and last devotee (6)
14 Place of tourist interest one might have to face from birth (6, 4)
17 Applaud the directors' building material (9)
18 They fare differently when plumed (8)
20 Drug eastern leading lady (7)
21 Day girl helping in office (6)
22 Public relations would enable this monstrous woman to get on (6)
24 Potentially later change (5)
26 Virginia about to get permission to travel? (4)

Solution to Puzzle No. 4,138



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM Credit cards 240 5258. Reservations 836 3161. ENGLISH NATIONAL OPERA Tonight and Thurs 7.30: Julietta. Tomor 7.30: The Magic Flute. Tues 7.30: The Turn of the Screw. Wed 7.00: Julius Caesar. 104 balcony seats avail. from 10 am on day of perf. Booking now open for Jan.

COVENT GARDEN. CC. S. 240 1066. (Gardencharge credit cards 836 6903). THE ROYAL OPERA. Ton. Mon & Thur 7.30. COSI FAN TUTTE (Conductor: Karl Bohm. Seats avail for all perfs). Tomor & Tue: 7.30 Norma. THE ROYAL BALLET. Wed 7.30. Swan Lake. 65 Amphi seats avail for all perfs. from 10 am on day of perf. COVENT GARDEN CELEBRITY CONCERTS. Sun. 2 Dec at 8 pm. Hermann Prey. Prices: 50p to £8.00.

SADLER'S WELLS THEATRE. Rosebery Ave. EC1. 837 1672. Until Dec 8 LONDON CONTEMPORARY DANCE THEATRE. Evgs. 7.30. Tonight & Tomor. Stabat Mater. Hunter of Angels. The Annunciations. Songs Lamentations & Praises. Tues & Wed. Step at a Time. Reflections. Cloven Kingdom.

THEATRES

ADELPHI. CC. S. 01-836 7611. MY FAIR LADY. Evgs at 7.30. Sat. 4.00 and 7.45. Mats. Thursdays at 3.00. TONY BRITTON, LIZ ROBERTSON, PETER BAYLISS and ANNA NEAGLE in THE WORLD'S GREATEST MUSICAL MY FAIR LADY. Book now Theatre & Agents. New Credit Card Hotline 01-836 7358.

ALBERY. S. From 9.00 am. 836 3878. Credit cards 379 6565. Group Sales 379 6061. Evgs. 7.45. Thurs. and Sat. 4.30 and 8.00. OLIVER! GEORGE LAYTON, HELEN SHAPIRO.

ALDWYCH S. CC. 836 6404. Info. 836 5332. ROYAL SHAKESPEARE COMPANY in repertoire. Final perfs. Today. Sat 2.00 and 7.30. tomor 7.30 MEASURE FOR MEASURE. With: Gorky's CHILDREN OF THE SUN (next perf 3 Dec). Moss Hart and George S. Kaufman's ONCE IN A LIFETIME (seats available from Dec 10). RSC also at The Warehouse (see under W).

AMBASSADORS. CC. 01-836 1171. Mon.-Thurs. 8.00. Fri. 8.30. Sat. 5.30 and 8.30. No perfs. from 24-29 Dec. inc. DINSDALE LANDEN, GWEN WATFORD, DAVID BURKE, ANGELA DOWN in BODIES by James Saunders.

APOLLO THEATRE. CC. 01-437 2663. Evs. 8.00. Sat. 5.00 and 8.00. Mats. Thur. 3.00. IAN LAVENDER, TERENCE EDMOND, JULIA FOSTER in HAPPY BIRTHDAY.

ARTS THEATRE. 01-836 2132. TOM STOPPARD'S DIRTY LINEN. Monday to Thursday 8.30 Friday and Saturday 7.00 and 9.15. NOW IN ITS FOURTH YEAR. Lowest-priced best seats in London. £4.00, £3.35, £1.60, plus 15p temp. members. Sat £4.85, £3.85, £1.85 closed Xmas Eve. Box Day 8.30.

ASTORIA CC. S. 01-439 8031. 01-734 4291. BEATLEMANIA. MON.-THURS. 8.00. Fri. Sat. 6.00 and 8.45. No perfs Xmas Eve or Xmas Day. Boxing Day 5.00 and 8.00. Reduced rate group bookings 01-437 3856.

BOULEVARD TH. at the Raymond Revuebar. Walker's Court. Brewer Street. CC. Tel. 01-437 2661. PAUL RAYMOND PRESENTS Queen of America's sex films MARILYN CHAMBERS Exclusive British appearance. LIVE ON STAGE. Plus banned by the Censor, the Hottest look at sexual permissiveness ever! Twice nightly Mon.-Sat. 8.00 and 10.00 pm.

CAMBRIDGE. 01-836 6056. Credit cards accepted 01-836 7040. Mon. and Fri. 8.00. Thurs. 3.00. Sat. 5.00 and 8.30. THE HIT BROADWAY MUSICAL GREAT FAMILY ENTERTAINMENT. CHICAGO. Reduced price for parties 379 6061 and 836 6056. Students, nurses, OAP standby £1.50.

COMEDY THEATRE. CC. 01-930 2578. Mon.-Sat. 9.00. Mats. Fri. and Sat. 6.30. THE ROCKY HORROR SHOW. Group sales Box Office 01-379 6061 or Freephone 2381.

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LYRIC HAMMERSMITH: 01-741 2311. Now rebuilt and restored to its original Victorian splendour. Eves 7.30. Sats 5.00 & 8.15. Thur mat 2.30. WAITING FOR THE PARADE by John Murrell, directed by Richard Cottrell. STUDIO THEATRE: Eves & Sun 8.00. Sats 8.30 (no perf Mon) LANDMARKS by Nick Darke, directed by Peter Egan.

MAY FAIR THEATRE. 01-629 3036. Evgs. 8.00. Wed. 3.00. Sat. 6.00. 8.45. All gardeners should see Roger Hume's OLD HERBACEOUS. Group sales box office 01-379 6061 or Freephone 2381. Season Ends December 8.

MAY FAIR. 'S.' 01-493 2031. Dec. 17-Jan. 5. Daily 10.30 am 2.00-4.00 pm. SOOTY'S XMAS SHOW.

NATIONAL THEATRE. "S" CC 928 2252. OLIVIER (open stage): Ton't 7.30 Tomor 2.45 and 7.30 AMADEUS new play by Peter Shaffer. LYTTELTON (proscenium stage): Ton't 7.45 (low price prev) Tomor 3.0 and 7.45 WHEN WE ARE MARRIED by J B Priestley. COTTESLOE (small auditorium): Ton't 8.0 A COUNTRY CALENDAR by Flora Thompson Tomor 3.0 Lark Rise Tomor 8.0 (not 7.30 as shown in leaflet) Candleford by Keith Dewhurst from Flora Thompson's book. (Promenade season—all this standing—some avail on day). Excellent cheap seats from 10am day of perf Olivier-Lyttelton. Car park. Restaurant 928 2033. Credit card bkgs 928 3052.

OLD VIC. 928 7616. CC. bkgs. 261 1821. Dec. 24 to Jan. 19. Richard Goolden, Ian Talbot. TOAD OF TOAD HALL. Golden Jubilee Christmas Season.

OLD VIC 928 7616. Old Vic Company repertoire season. 18th Century double bill THE PADLOCK—MISS IN HER TEENS. Tonight 7.30. Sat 2.30 and 7.30. Double bill standby seats on the day £2.75, students £1.75. For further information on the season ring 261 1821.

OPEN SPACE. 01-387 6969. Tues.-Sun. 8.00. Denholm Elliott, Diane Cilento in Strindberg's THE FATHER directed by C. Marowitz. LAST 3 WEEKS.

PALACE. CC. 01-437 6834. Mon.-Thurs. 8.00. Fri. Sat. 6.00, 8.40. JESUS CHRIST SUPERSTAR by Tim Rice and Andrew Lloyd-Webber. Group sales 01-379 6061, or Freephone 2381. (No perfs. Dec. 24 & 25) Dec. 26 at 8.0. Dec. 27, 28 & 29 at 6.0 & 8.40.

PALLADIUM. CC. 01-437 7373. YUL BRYNNER in RODGERS & HAMMERSTEIN'S THE KING AND I, also starring VIRGINIA McKENNA. HOTLINE — 01-437 2055. Evenings 7.30. Mats. Wed. & Sat. 2.45. Some good seats available this Wednesday matinee.

PHOENIX THEATRE. CC. 01-836 2294. Evs. 8.00. Wed. 3.00. Sat. 5.00 & 8.30. SUSAN HAMPSHIRE PATRICK MOWER 2nd YEAR OF TOM STOPPARD'S NIGHT AND DAY. Directed by Peter Wood. BEST PLAY OF THE YEAR Evening Standard Drama Award.

PICCADILLY. From 9.00 am. 437 4506. CC bookings 836 1071. Evgs. 8.00. Thurs. 3.00 and 8.00. Sat. 5.30 and 8.30. PETER BARKWORTH, HANNAH GORDON in Brian Clark's new play CAN YOU HEAR ME AT THE BACK?

PRINCE EDWARD. CC. 01-437 6877. Evenings 8.00. Mats. Thurs. and Sat. at 3.00. EVITA by Tim Rice and Andrew Lloyd-Webber. Directed by Harold Prince.

PRINCE OF WALES THEATRE. 930 8681. An evening with TOMMY STEELE and his Company. Evgs. Mon.-Thurs. 8.30. Fri. and Sat. 6.00 and 8.30. BOOK NOW.

QUEEN'S THEATRE. S. CC. 01-734 1166. Group sales 01-379 6061 or Freephone 2381. Mon.-Fri. 8.00. Wed. mat. 3.00. Sat. 5.00 and 8.15. JULIA McKENZIE, MAUREEN LIPMAN in a comedy by Richard Harris. OUTSIDE EDGE.

RAYMOND REVUEBAR. CC 01-734 1593. At 7.00, 9.00, 11.00 pm. Opens Sun. PAUL RAYMOND presents THE FESTIVAL OF EROTICA. 22nd Sensational Year. Fully air-conditioned.

ROYAL COURT THEATRE UPSTAIRS. 730 2554. Last perfs ton't 7.30 & tomor at 2.00 & 7.30. The Activist Youth Theatre [illegible]

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THEATRES

WINDMILL. CC. 01-437 6312. Twice nightly at 8.00 and 10.00. Suns. 6.00 and 8.00. Paul Raymond presents RIP OFF. The erotic experience of the modern era. Fourth great year.

WYNDHAM'S. From 9 am. Wed. Mat. Half price 3. 836 3028. CC. 379 6565. Evgs. 8. Mats. Wed. 3.00. Sat. 5.30 and 8.30. Alec McCowen, Penelope Wilton in TISHOO.

YOUNG VIC 928 6363 Today 10.00 and 2.00 THE ANCIENT MARINER and 7.30 THE MERCHANT OF VENICE.

CINEMAS

ABC 1 & 2. SHAFTESBURY AVE. 836 8861. Sep. Perfs. ALL SEATS BKBLE. 1: DEATH ON THE NILE (A). Wk. and Sun.: 2.00, 5.15, 8.15. 2: THE JERICHO MILE (AA). Wk. and Sun. 2.00, 5.00, 8.00.

CLASSIC 1, 2, 3. Haymarket (Piccadilly Circus Tube). 01-839 1527. 1: Peter O'Toole ZULU DAWN (A) in Dolby Stereo. Progs. 1.10, 3.35, 6.00, 8.25. 2: THE JERICHO MILE (AA). Progs. 1.10, 2.50, 5.30, 8.10. 3: George Hamilton LOVE AT FIRST BITE (AA). Progs 1.00, 3.15, 5.35, 7.55.

CLASSIC 1, 2, 3, 4, 5, Oxford St. 636 0310 (opp. Tottenham Court Rd. Tube). 1: Woody Allen's MANHATTAN (AA). Progs. 12.50, 2.50, 4.50, 6.50. 2: MAD MAX (X). Progs. 2.15, 4.20, 6.30, 8.35. 3: ZULU DAWN (A). In Dolby Stereo. Progs. 1.00, 3.25, 5.55, 8.25. 4: Burt Reynolds SMOKEY AND THE BANDIT (A). Progs. 1.30, 3.40, 5.55, 8.15. 5: J. R. R. Tolkien's THE LORD OF THE RINGS (A). Sep. perfs. 2.00, 5.00, 8.00.

CLASSIC, Leicester Square. 930 6915. GOLDEN LADY (X). FLESH GORDON (X). Progs. 12.50, 2.25, 4.05, 7.20.

CLASSIC POLY, OXFORD CIRCUS (Upper Regent Street). 637 9863. Laurence Olivier in Shakespeare's OTHELLO (U). Progs. 1.30, 4.30, 7.40. School party bookings welcome.

CURZON, Curzon Street, W1. 499 3737. LEE REMICK in THE EUROPEANS (U). Progs. 2.00 (not Sun.), 4.00, 6.20, 8.40.

ODEON HAYMARKET. 930 2738-2771. RICH KIDS (AA). Sep. Perfs. Wks. 2.15 5.20. 8.15. Sun. 4.30, 7.45.

ODEON LEICS. SQUARE. 930 6111. YANKS (AA). Sep. Perfs. Wks. doors open 1.00, 4.15, 7.30. Sun. doors open 3.00, 7.30. Late Night Show Fri. & Sat. Drs. Open 11.15. All Seats Bookable in advance at Box Office or by post.

ODEON MARBLE ARCH W2. 723 2011-2. MOONRAKER (A). Sep. perfs. Sun.-Fri. Doors open 3.00, 6.45. Sats. Doors open 1.15, 4.35, 8.05. Late Night Show Sat. 12.00. Evening Perf. and Weekends bookable in advance.

PRINCE CHARLES. Leic. Sq. 437 8181. World Premiere Presentation SCUM (X). Sep. perfs daily (incl. Sun.) 2.45, 5.55, 8.35 (late show Fri. and Sat. 11.15). Seats bookable. licensed bar.

STUDIO 4, Oxford Circus. 437 3300. Lic'd. Bar. THE DEER HUNTER (X). 12.45, 4.05, 7.30. Late Show Sat. 10.50.

ART GALLERIES

ANTHONY d'OFFAY, 9, Dering St., New Bond St. KEITH ARNATT. Mon.-Fri. 10-6. Sats. 10-1. 629 1578.

AGNEW GALLERY, 43, Old Bond St., W1. 01-629 6176. BERNARD DUNSTAN. Until 21 Dec. Mon.-Fri. 9.30-5.30; Thurs. until 7.

AGNEW GALLERY, 43, Old Bond St., W1. 629 6176. TURNER LOAN EXHIBITION. Picturesque Views in England and Wales. Until 7 December. Adm. 50p in aid of the A.G.B.I. Mon.-Fri. 9.30-5.30. Thurs. until 7.

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TRAVEL

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THE ARTS

Hampstead

Uncle Vanya

by B. A. YOUNG

Preparing new versions, which are not necessarily translations, of foreign plays is a minor industry in the English theatre today. Pam Gems justifies her re-working of Chekhov's *Uncle Vanya* because "theatre . . . must constantly be reborn." When she worked on it she had never seen the play in production, and some of the discoveries she made (such as "The play is full of sex") are not discoveries to those of us who have had the good fortune to see it more than once. So perhaps it is hardly surprising that the new version is not different in spirit from more familiar examples. It is a little more brusque in manner, though it makes no attempt to use current colloquial English.

It may be that the apparent brusqueness comes from Nancy Meckler's direction. Miss Meckler has brought the characters a little down-market, in the manner of Jonathan Miller. Serebryakov is allowed to retain his ill-gotten air of superiority; Maurice Denham plays him interestingly as a man physically ageing but mentally in his prime. And of course his old mother, Jean Anderson discharging intellectual accomplishment through her pince-nez if not actually in her conversation, must seem an aristocrat to support her son. Both of these, of course, are bogus.

Susan Littler gives the lovely Yelena no panache at all. This Yelena is just a very dumb girl, the kind of girl likely to be taken in by Serebryakov's blague. She talks like a chorus-lady trying to keep up with her betters, so that when she tells Astrov, "You're an interesting and original man," one wonders how she knew. It is an unusual idea, but it doesn't work, because Yelena has got to be interesting enough for both Astrov and Vanya to fall in love with.

Astrov, in Ian Holm's impersonation, might have fallen for her on a purely sexual plane, perhaps. He is a tough young man who displays no real affection for anyone or anything but his trees; he understands the troubles of Vanya's and Sonya's life, but he never seems genuinely moved by sympathy. On the other hand, Nigel Hawthorne makes Vanya a quivering jelly of emotion, something different from the instant sex that he turns on for his first assault on Yelena — an assault that I thought genuine and moving but carried on at too high a pitch when so many other people were about the house.

Sonya's sympathies are chiefly for herself. Alison Steadman gives an outstanding performance, even making herself believably plain, dressing always in a skirt like an apron and a blouse with the sleeves permanently rolled up. She and Vanya are accurately placed as yeoman farming stock, their hearts close to the earth.

The set, by Alison Chitty, is austere, a plain plank stage with two window-frames upstage and behind them blockness. Its disadvantage is that it can't give the effect of a "stifling" September day, and the weather should be part of the universal boredom. On the other hand, most of the acting is good enough to allow the scenery to take care of itself. *Uncle Vanya* is one of the supreme achievements of the theatre, and this production serves it very well.

Leonard Burt

Ian Holm, Alison Steadman and Nigel Hawthorne

Metropolitan Opera

Die Entführung

by ANDREW PORTER

The first new production of the Metropolitan season was of *Die Entführung aus dem Serail*. James Levine conducted and Nicolai Gedda sang Belmonte, but otherwise the show was a German and British affair. Edda Moser, Norbert Orth, and Kurt Moll were Constanze, Pedrillo and Osmin. Norma Burrowes made her Met début as Blonde. John Dexter produced, and Jocelyn Herbert designed.

Die Entführung had been done by the Metropolitan only four times before: in 1946-47, in English when Eleanor Steber and Charles Kullmann led the cast. It is a difficult piece to bring off in a huge house, but the new production did everything possible to make it immediate. The vast proscenium arch was masked down by a cut-out providing a skyline of Moorish domes and lattice work. The stage was built out over the orchestra pit. The pit floor was raised—so high, indeed, that Levine formed part of the stage picture. The action was kept well forward, and the lighting was bright.

It was a neat, carefully prepared performance, but, whereas a good *Entführung* fills its listeners with keen delight, this one was unmoving. For two reasons, I think. First, Levine held everything on so tight a rein that the especial exuberance and copiousness of the score had little time to flower. One could not sense the four instrumental soloists of the long introduction to "Martern aller Arten" rejoicing in the music Mozart gave them to play. The vaudeville finale marched to a four-square beat that allowed the singers no chance for individual, characterising rubato. And second, Miss Moser was bleak and constrained, and Mr. Gedda was bland, and so the central situation of the opera had no ardour, excitement, or romance about it. On the opening night, the upper fifth of Miss Moser's voice was foggy. Dexter's mannered production, which kept the serious characters rooted to the spot during their arias, did not help to make things more emotional. Constanze sang the intimate "Traurigkeit" before the assembled janissaries; the picture shows this scene.

The main pleasures of the evening were provided by the servants, and those pleasures were considerable. Miss Burrowes has always had a quick-silver agility. This summer, Radio 3 broadcast a snatch of her Juliette, from Provence, and I marvelled at the new fullness and sweetness the voice has gained. Her lively Blonde was a complete success with everyone. The tone remained pure and attractive right to the top. (Blonde needs an even wider compass than Constanze—from low A flat to high E.) Norbert Orth's sturdy, winning, musically vivacious Pedrillo needs no description; he has succeeded Gerhard Unger as the international first choice for the part.

Kurt Moll's Osmin united beauty of tone to a musical resourcefulness that brought every phrase to life. The lowest notes may lie outside his effective range, but the way he made the audience listen for them was in itself amusing — and artistically done. Werner Klemperer—the conductor's son — was a lightweight Pasha Selim who won laughs at some of his most serious utterances. Blonde, Pedrillo, and Osmin were live characters, and they alone seemed to command Mozart's music, to enjoy it, and to make it enjoyable. Constanze and Belmonte approached it as an obstacle course. All three tenor arias were included: Mr. Gedda's "Ich baue ganz" was not masterly. Miss Moser frequently stubbed out repeated notes where expressive appoggiaturas are needed.

There is a crude drop curtain, which in Acts I and III rises on simple, stylised representations of a Moorish palace, outside and inside, executed in light colours. And there is a pretty transformation to the quay at the end. But the palace has absurd sliding doors that open automatically, like a supermarket's, when anyone approaches them. Act II, spanned by a tall red fence, is less successful; it looks chic and modern.

The effect of the whole is clean and dapper. The production has things in common with the famous Strehler-Damiani *Entführung* at Salzburg. But that show, which was framed in gem-bright coloured borders that caught the richness of the music, used artifice more delicately, more precisely, and more musically.

Arts Council streamlined

The Arts Council this week took decisions designed to streamline its operations by reducing significantly the number and size of its advisory committees. The simplified structure should lead to increased efficiency, tighter organisation and much needed financial economies at the outset of what is bound to be a difficult year.

The essence of the operation is to reverse the natural tendency of committees to grow bigger and proliferate sub-committees.

When the Council started in 1945, its grant-in-aid was less than £250,000. It is now over £60m. In the last 10 years the grant-in-aid has grown sevenfold, whereas the number of employees rose by only a half, and the number of panel and committee members by 150 per cent. Present proposals will reduce the number of committees and sub-committees from 43 to 17 and will roughly halve the number of committee members.

Cinema

Lives in ferment

by NIGEL ANDREWS

The Outsider (AA) Gate 2
The Jericho Mile (AA) ANC, Shaftesbury Avenue, Classic, Haymarket, and Scene 4
Radio On (X) Screen on the Hill
Junoon (AA) Academy 1
Town Bloody Hall Little Bit Ritzy, Brixton
Moritz, Lieber Moritz (X) Minema

You may recall that the last—and first—time the feature-film industry levelled its sights at the Northern Ireland troubles it was with Rod Steiger as a mad Irish explosives expert trying to blow up the Queen in the House of Commons. The film was *Hennessy*, and the less said of that trailblazer the better: except to note that in the cinema confrontation with big political issues often starts with pinheadedness and only later graduates to intelligence.

Tony Luraschi's *The Outsider* is a dark-toned thriller which keeps its head and doesn't raise its voice while saying "A plague on both your houses" to militant extremists in Ireland. Both the IRA and the upper echelons of Ulster defence are shown as playing a war game in which human suffering is small change in the purchase of military results and political kudos. Shuttled between the two factions in this tale is a young Irish-American (Craig Wasson) whose ancestral patriotism brings him to Ireland to fight for the Republican Army. Once there, he is hustled off to Belfast by the IRA, who scheme to set him up as a "distinguished casualty" whose death will earn fame and money for their cause from across the Atlantic.

The prelude and immediate aftermath to Wasson's arrival in Belfast are the best parts of the film. American writer-director Luraschi doesn't hyperbolise and he doesn't pussyfoot, steering straight to the centre of the terrorist mind, with its gruesome blend of passion and calculation, and presenting a thriller that has the sharp taste of real life. Both among the blitzed terraces of Belfast and in the green but booby-trapped countryside, it's a world where the ideal of life's sanctity has fallen into tragic disrepair.

On either side of its firm middle, however, the film goes slightly askew. Pulp-fiction coincidence rears its head late on—the climactic showdown between the hero and his would-be assassin is a dubious farrago of jammed guns and lucky escapes—and though the supporting characters burn with a resilient, acrid glow, Craig Wasson's "outsider" is from the start under-scripted and under-acted.

Framing the film, to boot, as prologue and epilogue, are two short scenes involving Sterling Hayden as the hero's grandfather. Bearded like the pard and speaking with this actor's special brand of phophetic laryngitis, Hayden bores to the boy the moral and emotional scars be won in *his* generation's Irish troubles. These scenes are all we have in the way of motivation for the hero, and they are so far from being enough that a psychological hole exists at the film's heart, which only Luraschi's ability to mesmerise us with the detail-packed periphery manages to camouflage.

The film is a substantial breakthrough, nonetheless, in tackling the Irish Question, and it's the first time a determined and intelligent force has invaded a longstanding cinematic no-go area. Luraschi shows a scrupulous lack of favouritism in his attribution of idealism and cynicism to either side, and he also captures the slow-burn horror of a war conducted by sabotage and ambush rather than open confrontation on the battlefield.

*

The Jericho Mile is also about a world in ferment: albeit more microcosmic, being a prison. We've been inside U.S. penitentiaries before, of course, and not seldom. *Brute Force*, *White Heat*, you name the Hollywood prison drama, it painted much the same picture: victimisation, brutality, framing, theft, murder. . . .

In *The Jericho Mile* the setting is the same cauldron of iniquity and hatred as of yore, but there are two happy differences. One, the film is shot in a real prison, California's Folsom Penitentiary. Two, the main character (played by Peter Strauss) has an original, nay unprecedented, attribute: he's an Olympic-standard runner.

Since be also killed his father, this makes him the first patricidal four-minute-miler in athletic history. But can be qualify for the Olympics, being a prison inmate? Prison governor Billy Green Bush and prison psychiatrist Geoffrey Lewis scour the rule-books and think he can. And suddenly the rest of the prison wakes up too. What, a potential gold-medallist in their midst? Racial hatreds heal, private vendettas cease to rage, and all eyes turn to the jail's makeshift running track as U.S. athletics observers clock the long-leggedy Mr. Strauss.

Michael Mann directs it all with prodigal verve. The film was originally made for TV, but it looks resplendent on the big screen. And though there's a touch of glibness in the mass *détente* and euphoria of the movie's conclusion, who can really quibble when the treatment elsewhere is as vivid and abrasive as this?

Chris Petit's *Radio On* has one digging deep into one's reserves of good will towards New British Cinema. Petit's movie-making debut—he used to be Time Out's film editor and mainstay critic—is a brave, often intelligent, defiantly austere story of emotional displacement in modern Britain: a "road movie" that takes its alienated hero hero on a motorway odyssey from his home town (London) to his brother's (Bristol) where the said sibling has died in mysterious circumstances. (The opening scene is a long travelling-shot in which the camera prowls the brother's shadowy flat, briefly glimpsing a body prone in a bath-tub.)

But the film is also more than a bit of a plod. Shot in black-and-white, and resounding to the rock music that blasts from the hero's car radio, it is deep in a British *angst* whose roots and nature it never quite defines. There are encounters on the highway, sketched in the *casually symbolic mode of Wim* Wenders's German movies (notably *Kings of the Road*): an aggressive soldier from Northern Ireland whom the hero deposits by the roadside at the first opportunity, a guitar-playing young garage attendant. And finally, when the hero reaches his destination, there is a German girl (Lisa Kreuzer) he takes up with who is searching for her child.

We are orphans all, the film seems to be intimating, and the communications-maze of modern life instead of pulling us together is pushing us further apart. The trouble is that Petit doesn't give us an emotional hand-hold in the movie—the main character is a dour Everyman who walks and talks but never really comes to life—nor does he endow his gloomy motorwayscapes with any quality more nuanced and specific than Gloom. The film is a dark night of the British soul that covers us in nameless despair without telling us how we came to earn it or what we can do to get rid of it.

*

What on earth does the Academy cinema think it's up with its latest import? Shyam Benegal's *Junoon* is the most ossified yet of the Indian director's ongoing attempts to crossbreed art cinema with popular appeal (cf *The Robe* and *The Boon*). *Junoon* is love among the ruins of the Indian Mutiny. Will British girl Ruth Labadoor (Nafisa Ali) get it together with dashing, moustachioed Indian noble Javed Khan (Sashi Kapoor) who is off fighting the Brits? Or rather he should be but isn't, being too lovesick.

The wide screen vibrates alternately to *presto* battle scenes and *adagio* love scenes, and it all looks more and more as if *Gone With the Wind* had been wafted half way across the world and fallen to earth in or just outside Lucknow. Strictly for savourers of Subcontinental High Camp—and did the Academy really know what it was getting with this film or did it just put in an order for Benegal's latest?

*

Finally, two curios you should investigate. Showing at the Little Bit Ritzy cinema in Brixton from Sunday is *Town Bloody Hall*, D. A. Pennebaker's documentary record of a debate held at New York's City Hall in 1971 which included ding-dong contributions from such as Norman Mailer, Germaine Greer and Susan Sontag. Fresh from the Edinburgh and London film festivals, and well worth your attention.

The German film *Moritz, Lieber Moritz* was a something *de scandale*—not quite a success—at last year's Berlin Film Festival. Directed by Hark Bohm, it's the tale of a poor little rich boy with sadistic day-dreams and a grudge against bourgeois society. Sleek, bizarre, interesting and at the Minema.

Scene from 'The Outsider'

St. John's, Smith Square

Britten, Bliss, Bridge

by MAX LOPPERT

A theme of "Sacred and Profane" is announced as underlying the programmes of this season's BBC concerts of English music at Smith Square. It was not very easily detected in Wednesday's, which for the flippant might equally have borne the alternative sub-title of "Prolix and Pithy." Bridge's *Summer* (1914), not long when measured by the clock, seems to stretch out a mild, water-coloured eternity. Bliss's Music For Strings is, of course, a more substantial achievement; but its weighty, full-blooded manner fails to last the full duration of the piece—even in a performance as sumptuous as that of the BBC Symphony under Rozhdestvensky, the repetitiousness of the central Andante, "Elgarian" without the nervous intensity of Bliss's model, proved eventually burdensome. It is good to accompany the Russian conductor on his ventures through a wide repertory of English music, and heartening that they should be greeted by such rich-spirited playing. In this first half, at least, one felt that the efforts of all might have been more profitably directed.

No such ungrateful thoughts about the Britten second half. The Prelude and Fugue for 18 strings (1943), a virtuoso piece owing nothing to the more comfortable traditions of English string orchestra writing and much to their mastery and vitality, was preceded by *Phaedra*. More and more, this late cantata for mezzo-soprano and small orchestra is revealed as one of the key works of the composer's Janus-like final phase — summing up past musical and dramatic preoccupations with extreme point and precision, simultaneously expounding a new leanness and *dry brilliance of orchestral* sonority (and that in a composer hardly "fat" in the first place!)

Sarah Walker's account of it was not more intense than Janet Baker's; but it brought with it a new and marvellous note of sensual and passionate abandon. Altogether, this was the most dramatic performance of the work I have yet heard; a pity that the crucial harpsichord "continuo," which previous *Phaedra* conductors have themselves played, was banished to the orchestral periphery. The concert is being broadcast on Radio 3 tomorrow evening.

Makarova, Jeanmaire to dance for du Pre Research Fund

Natalia Makarova and Zizi Jeanmaire are returning to London next March to join London Festival Ballet in a dance tribute to cellist Jacqueline du Pré whose career was cut short by multiple sclerosis nearly seven years ago.

The two ballerinas will appear at a gala evening at the Coliseum on Sunday, March 16, to raise money for the Jacqueline du Pré Research Fund, run in Britain in co-operation with the Multiple Sclerosis Society.

The London Festival Ballet will feature a number of its principals including Manola Asensio, Eva Evdokimova, Patricia Ruanne and Peter Schaufuss at the charity evening.

Natalia Makarova will fly from America to appear for only the second time in London in the première of a ballet created for her by Maurice Béjart. Zizi Jeanmaire, who has only appeared in London once since the 1940s, will perform a new work by her husband, Roland Petit.

Tickets for the evening are priced at £40, £30, £20, £10 and £5. Applications should be made to Miss Jane Miles, The Multiple Sclerosis Society, 286, Munster Road, Fulham, London SW6 6BE (01-381 4022).

FINANCIAL TIMES
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Telegrams: Finantimo, London PS4. Telex: 8954871, 883897
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Friday November 30 1979

Looking past a ceasefire

THE LANCASTER HOUSE talks seem on the verge of yet another major step forward. Today could well see the Patriotic Front conditionally accepting British proposals for the principles which would govern a ceasefire. Salisbury has already approved these principles. After the agreements so far reached on a constitution for an independent Zimbabwe and on the transitional period to independence, this would be a further achievement for a conference which most people originally expected to fail.

Stalemate

That the conference has gone so far in its often painful 12 weeks is a remarkable success. Much of the credit for this has, rightly, been given to Lord Carrington. But it would be a mistake to underestimate the roles played by the antagonists or by the Front Line States. All these have been prepared to accept positions which earlier this autumn would have been unthinkable. In large part this is due to the situation on the ground. Salisbury is finding the human and economic price of the war too high. Further, like the Patriotic Front, it sees that a military stalemate can be ensured but not a military victory.

In many ways Lancaster House has seen "step-by-step" diplomacy at its most productive. But in this kind of diplomacy the problem is that the next step is always harder than the one before. This is particularly true of the ceasefire arrangements now being debated. Agreement on the principles of the ceasefire may be reached. However, the next stage could be even more difficult as discussion will be not about principles but about power.

To what extent should Salisbury forces abandon their operational positions and return to barracks? What will be the nature, number and location of the "assembly places" where the Patriotic Forces' men will be gathered in from their strongholds in the bush? These are burning issues. They involve the lives of almost 100,000 people under arms who have come to see fire power as their only defence. That all is not yet over was indicated yesterday by the Patriotic Front when it dismissed the present British plans as involving "death camps" for the guerrillas.

The British hope is that the talks have now created sufficient momentum of their own to overcome such problems though it appears that diplomats espouse this hope more readily than military men. Lord Carrington has described the intended despatch of a British governor to Salisbury as an "act of courage." It certainly is.

The Patriotic Front has an estimated 15,000 guerrillas in Rhodesia with a further 500 or so entering from Mozambique and Zambia each week. Ranged against these is the Rhodesian regular army of between 6,000 and 10,000 men, backed up by 5,000 conscripts. Salisbury also has large territorial forces, while around 20,000 black "auxiliaries" have recently undergone training.

The British proposal is to have a Commonwealth monitoring force deploying men to watch each operational unit. This task alone will present formidable logistical problems. But more problematic may well be that of keeping an eye on the guns in the hands of the irregulars—let alone on the guerrillas.

The present proposed force of around 1,000 troops is far less than that involved in any remotely comparable UN peace-keeping operation. The governor would have no adequate forces on hand to interpose in any conflict. This is to be commended in that it may help to prevent Britain being drawn directly into any fighting.

Credibility

But it does mean that attention must be paid to the dangers involved if the governor should take action "with the forces which have accepted his authority," as the present British proposal foresees. For Britain to use the Salisbury forces against the Patriotic Front or vice versa would be for it to become directly involved in a way that successive British governments have always considered totally unacceptable. One way to avoid this is to ensure the credibility and thus the acceptability of what happens next. Britain cannot afford to have to rely on the 43,000-strong Rhodesian police when this is only to be monitored by a "few dozen" British police officers. Further, it has to involve all the border-line states in any settlement. Their co-operation is essential.

Pensions must be paid for

THE NATIONAL insurance pension has for many years been one of the sacred cows of British politics. Quite understandably, and perfectly laudably, few politicians, even on the extreme right, have questioned the need for a state pension, or advocate cuts in its level. What is more surprising, and less reassuring, is that, since 1975, increases in the level of the state pension have also failed to generate much political passion or controversy. In that year the Labour Government passed legislation to ensure that in future state pensions would each year be increased automatically in line with the growth of earnings or prices — whichever calculation was the more favourable to pensioners. Mrs. Barbara Castle proclaimed proudly that the link between pensions and earnings would ensure that "pensioners would share in the prosperity of the country," and the plight of the pensioners was largely forgotten.

Illusion

The main advantage of the present Government's decision to break the link between pensions and earnings—revaluing the pension solely in line with prices—is that it will dispel the illusion that enough has already been done for pensioners and that the level of pensions can in some way be isolated from other political and economic problems. During the tenure of the last government pensions rose by 20 per cent in real terms, but the whole of this increase occurred in 1974 and 1975, before the new system of index linking was instituted. In 1976 and 1977 prices rose more rapidly than earnings, and in 1978 the Government's estimate of earnings growth was understated by 2 per cent. So it was not until this month that pensioners reaped the benefit of the small increase in real earnings in 1977-78.

If Britain's economic experience had accorded with the sanguine assumptions that governments have habitually built into their policies: if there had been growth in real earnings, national product and productivity, the system of linking pensions to earnings would have had much to commend it. But in the event it has not and Britain's growth prospects made it appear necessary to protect pensioners against falling real wages by linking their pensions to prices. This hedging has, as yet, done little to help pensioners; it has distracted attention from the real facts about pensions—that they are low by international standards but that increasing them substantially will require higher contributions.

Destabilising

If Britain's recent economic experience were to repeat itself during the coming years and periods of rising real wages were to alternate with periods when prices outpace wages, the long term effect of the old pensions arrangements could be seriously destabilising. In the absence of real growth, it would take less than 15 years of alternation between 5 per cent real wage increases and 5 per cent real wage reductions, for the share of pensions in the gross national product to double, to more than 10 per cent. This would entail massive increases in the tax burden on the working population, which may be acceptable and desirable, but should depend on conscious political choices, not arbitrary formulae.

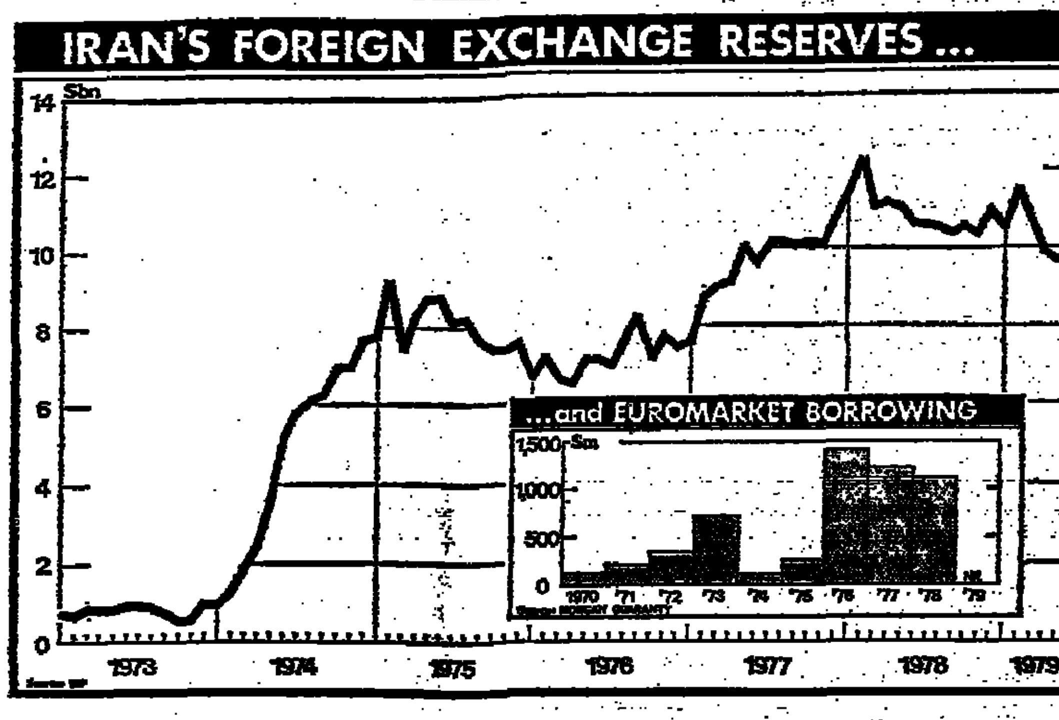
Pensions have to be financed out of the same kitty as the health, educational and other social services. Only those who believe that more public spending automatically promotes economic growth, whether it is funded by borrowing, taxation or monetary expansion, could deny that the uncontrolled growth of pensions must endanger the other social services.

Nevertheless, there are ways in which the present system should be improved, without absorbing additional resources. Sir Derek Rayner's proposal for paying pensions into bank accounts instead of in cash at post offices has much to commend it. The administration of the whole social security system costs over £750m and needs to be streamlined. Better administration would not only save money. It could eventually allow the flexibility required for pensions to be uprated not annually, but quarterly, or even monthly. In times of rapid inflation, this would protect pensioners against the steady decline in living standards which they now suffer in the course of each year.

Mr. William Miller, U.S. Treasury Secretary: None of America's allies would be so "shallow" as to give support to the Tehran Government by actively contesting the validity of the freeze

Mr. Abol Hassan Bani-Sadr, Iran's Economy Minister: The time has come for the countries of Europe and the Third World to be "saved from the domination" of the dollar.

Mr. Walter Wriston, Chairman, Citicorp: The legal implications of the Iran conflict will mean annuities for lawyers, their children and their children's children.



Iran's conflict with U.S. accelerates the decline of the dollar's international role

Tough medicine for world banking

BY FINANCIAL TIMES WRITERS

THE conflict between the U.S. and Iran has sent a shockwave through the banking and financial world. Its impact will be felt long after the seizure of the U.S. Embassy in Tehran is over.

Iran, one of the most important borrowers from international banks in recent years, has been called into default on a series of major loans, raising doubts about the future efficiency of the syndicated loan market through which banks channel finance around the world.

The U.S. freeze of official Iranian assets, coupled with Iran's threat to blacklist the dollar for its oil and trade payments, seems certain to accelerate the relative decline in the international role of the dollar that has been a feature of recent years. Much to the displeasure of the countries concerned, it will speed up the emergence of other currencies, such as the Deutsche Mark, in a fully fledged international role.

The effect of the Iranian crisis on banking confidence may well hold back for an indefinite period the sharp expansion of international bank lending. This will gratify conservative central bankers from the industrial countries who have been worried about expanding international liquidity. But it will greatly aggravate the problems of developing nations scrambling to finance their balance of payments deficits.

There is also a conflict of interest in the industrialised world. The blocking action by the U.S., as a political gesture, was generally welcomed in the West. But a rift has emerged between the U.S. and its allies in Europe and Japan over the legal and monetary implications of the move, and some European central bankers denounce it as a tactical error.

A bewildered world has watched a rapid series of events in Washington and Tehran during the past four weeks. It started with the seizure of the U.S. Embassy in the Iranian capital by militants attempting to force the American Government to return the deposed Shah.

Stepping up the pressure, Iran threatened to withdraw its assets lodged with the U.S. banking system—a sum which it put at $12bn. President Carter responded swiftly with an executive order on November 14 to freeze Iranian funds in the U.S. and deposited with American banks at home and abroad. The U.S. Treasury calculated that the sum involved amounted to around $8bn.

As the confrontation increased, Iran has said it will not accept payment in dollars for its $30bn a year in oil exports. Among a number of conflicting public statements it has made clear that it is prepared to accept payment in any major international currency, apart from the dollar—and heralded a revolutionary change in the world financial system.

Iran's Finance and Economy Minister, Abol Hassan Bani-Sadr was quoted as stating that Iran would renege on $15bn worth of international debts. But amid growing confusion, the country's central bank issued a statement in London reassuring bankers that Iran would honour outstanding debts.

This did not stop a key $500m credit, raised in 1977 by the then Imperial Government of Iran, being declared in default by a number of participating banks—mostly from the U.S.

This declaration triggered cross default clauses on other important Iranian bank loans. And in the last few days, U.S. banks have been taking part in an undignified scramble to attach claims on Iranian assets—including the country's 25 per cent stake in Krupp, the German steel and engineering group—in order to ensure repayment of these loans.

Caught out in the cold

Many banks from Europe and Japan with loans outstanding to Iran have been caught out in the cold. Wishing to avoid at all costs becoming entangled in the political battle between Tehran and Washington, they have been slow to declare some of their own loans in default.

But they privately acknowledged that some of the basic assumptions about worldwide banking practices and principles are now being called into question.

These views were aired for the first time in public yesterday when top executives of Dresdner Bank, West Germany's second largest bank, warned in Frankfurt that an escalation of the current economic conflict between the U.S. and Iran could lead to a totally unnecessary deterioration of international currency and credit markets. Dresdner declared that it had no intention of following the U.S. move to declare Iranian credits in default.

The European reluctance to get caught in the cross-fire is also based on wider considerations. EEC nations have an estimated $12bn to $15bn in industrial contracts in Iran which are currently suspended or being discussed. Last year, Iran was the Common Market's second largest oil supplier after Saudi Arabia, exporting 80m tonnes of crude to the Community.

There are also signs of disapproval at an official level, in Europe of the legal implications of President Carter's blocking move. European central banks for the time being have bowed to the President's effective declaration of *force majeure*. But they point out in private that Iranian deposits in Europe are subject ultimately to the law of the country in which they are lodged, not of the U.S.

U.S. bank branches and subsidiaries in Europe—with which a great deal of Iranian money is deposited, especially in the prime Euromarket centre of London—are at present observing the freeze. But the blocking action could be tested, central banks believe, if Iran filed suit in European courts to recover its assets.

In London yesterday, Mr. William Miller, the U.S. Treasury Secretary, mounted a vigorous defence of the American blocking action, but acknowledged that there was some legal doubt over whether U.S. financial jurisdiction extended to American banks overseas.

He said it would be surprising if this caused tensions between the U.S. and its allies. Following the breach of international conventions represented by the hostage-taking action in Iran, he said none of America's allies would be so "shallow" as to give support to the Tehran government by actively contesting the validity of the freeze.

The crisis in Iran has erupted at a time when the world's monetary authorities have already been expressing considerable concern at runaway expansion of international bank lending in recent years.

Central banks have been worried on two counts. Heavy lending to foreign borrowers at often very small profit margins could, it has been feared, cause solvency problems should borrowers get into difficulties.

At the same time, there has been more general concern that the expanding Euromarket may be an important source of—or at least aggravate—world inflation and currency instability. The overall size of the market in the lending and depositing of currencies outside their country of domicile has expanded at an annual rate of 20 to 25 per cent over the past few years, reaching a gross volume of nearly $1,000bn this year.

Central bankers from the leading industrialised countries have for some months been drawing up plans for national authorities to gain greater control over the foreign lending of their countries' banks.

An agreement is likely to be unveiled early next year under which the main countries will set prudential capital ratio limits for the worldwide lending of their banks and overseas subsidiaries.

Ironically enough, the events in Iran over the past three weeks may well have strengthened the central bankers' hands. The default by itself is not likely to provoke a serious liquidity crisis among major Euromarket banks. Iran's international reserves would seem to be comfortably in excess of its liabilities. And in contrast to the events following the collapse of the German Bankhaus Herstatt in 1974, there has been no sign so far that groups of banks are being forced to pay punitive interest rates in order to gain deposits.

The Iranian crisis will, however, act as a salutary lesson to banks of the risks of over-stretching their foreign lending. It will accelerate the trend towards higher interest rate margins on syndicated loans; there had already been evidence this autumn of a bottoming-out in the downward trend of margins as banks became increasingly opposed to ever-diminishing returns on their international loan business.

As a senior central banker in Europe put it: "If Iran makes the banks more careful in syndicated lending, and changes the nature of the 'borrowers' market,' that would not necessarily be a bad thing. I would have preferred the medicine to be less tough—but at least bankers are being reminded that international banking involves considerable risks."

But there is far less rejoicing among central banks over the second major consequence of the tumultuous events in Tehran: the boost given to the role of currencies such as the Deutsche Mark, Swiss franc, French franc and sterling in international trade and monetary settlements.

In the face of the weakness of the dollar, West Germany and Switzerland in particular have found reserve currency status thrust upon them almost by default over the past few years. The U.S. freeze on Iranian assets is likely to accelerate the trend. The authorities, however, fear that too large a build up in foreign holdings of their currencies creates the potential for the same sort of exchange rate disruption suffered by sterling in 1976 when its reserve role came abruptly and uncontrollably to an end.

Although the legal basis for the U.S. blocking action is still being debated, there is no doubt that it will make many international depositors reluctant to keep funds in dollars, whether in the U.S. or in Euromarket banking centres.

One of the original reasons for the growth of the Euromarkets in the early 1950s was the desire of the Soviet bloc not to hold dollars in the U.S. for fear of sequestration at times of political crisis. The Soviet Union thus decided to keep a great deal of its dollar balances in London or Paris in preference to New York. This provided an early impetus to the whole concept of the external dollar and supranational banking.

The new awareness of the vulnerability of existing payments systems to political events has now led to discussion that a Eurodollar clearing mechanism should be set up outside the U.S.—a proposal which has been aired occasionally in London and other centres in the last few years.

The U.S. action this month justifies the original fears of depositors which made some of them want to keep their dollars outside America. However, by blocking assets held on foreign money markets, it demonstrates that the dollar portion of the Euromarket is not, after all, free from extra-territorial control (especially as all dollar clearing transactions made overseas, under present arrangements, still have to go through New York).

Strengthened resolve

The action has substantially strengthened the resolve of depositors, especially the central banks of countries which fear a future worsening of relations with the U.S. to sever their links with the dollar altogether.

Certain smaller central banks from the developing world, as well as Eastern Europe, have apparently begun switching their official deposits on the Eurocurrency market in the last few days. Such central banks had already substantially diversified out of the dollar into currencies like the D-mark over the past few years.

Private investors and multinational companies are also reported to be taking precautionary action along these lines. Certainly the oil companies, if they really believe that they will shortly be called upon to pay for Iranian oil in a non-dollar currency basket, could not be blamed for making some pre-emptive purchases of the D-mark on the foreign exchange market. Such transactions may have accounted for a large part of the dollar's weakness this week.

Contributors:
David Marsh and John Evans, London
Stewart Fleming, New York
Richard Hanson, Tokyo

MEN AND MATTERS

Dedicated digger's farewell to Sinai

The completion this week of the first phase of Israel's withdrawal from Sinai also marks the end of an archaeological coup. The occupation of Sinai give Professor Beno Rothenberg the chance to make discoveries in the peninsula which have transformed ideas about Middle East history; next Monday, he will tell an audience in Burlington House, London, about his team's Sinai explorations.

Reports over the years that Israeli archeologists were surveying in the Sinai caused resentment in the Arab world. "I think I was very proper," insists the German-born Rothenberg. "We only dug small trenches and took nothing away." He also points out that no archeological work had been done in Sinai since digs by Sir Flinders Petrie in 1906.

Rothenberg assures me that Israeli research has "completely changed the history of Sinai," proving that it was densely populated in the time of the early Egyptian dynasties.

"I should be happy to pass the information on to Egyptian archaeologists," he says. "But I don't want to push my nose in too far."

He now spends about a third of his time in London, teaching at the Institute of Archaeology. His particular interest is early mining, giving him a leading role in the Institute for Archaeo-Metallurgical Studies (IAMS). London mining houses and metal marketing companies are supporting his explorations at Rio Tinto in Spain. "It's the biggest early mining site in the world," says Rothenburg happily. "Just think of it, we've found 16m tons of slag."

"Which came first—the price rise or the wage claim?"

Well in hand

The presidential edict freezing Iran's funds in the U.S. is already generating its own black humour. A story was going the rounds in London yesterday about a leading American banker who explained how he had been handling the situation. "It's simple," he said. "We just follow the golden rule."

Asked what the rule was, he replied: "Well, we've got the gold, and we make the rules."

BIM's dilemma

Whoever becomes chairman of the British Institute of Management in 1980 must expect a punishing term of office. So the institute's next council meeting, on December 11, will listen expectantly when the shortlist is read out.

This list includes, so I hear, Sir Peter Parker, head of British Rail and Kenneth Corfield, managing director of STC—the subsidiary of ITT. Another name near the top is that of Trevor Holdsworth, who recently took over the top job at GKN.

Parker is favoured for being "good with the media"; this quality has grown in importance since BIM decided in 1976 to enlarge its role and do more campaigning. The current chairman, Leslie Tolley, head of the Midland engineering firm Renold, has been considered by some rather too outspoken. But against Parker's urbanity weighs his chairmanship of a nationalised industry; Sir Derek Ezra of the Coal Board was BIM's boss immediately before Tolley.

It is said that Corfield is keen on the job; he has made a name for himself in BIM by putting considerable effort into management education as chairman of an advisory panel. Working for a U.S. transnational is seen as his disadvantage — he may be called overseas all too often. Third man Holdsworth is less extrovert than either Parker or Corfield. The doubts about him centre on whether he will be able to spare much time from his new role at GKN, in such difficult days for engineering.

A shortage of opportunity to devote himself to good works at BIM must also apply to the leading outsider: Sir Michael Edwardes of BL.

Hair tomorrow

Among the many bits of paper which went from mailbags straight into Fleet Street waste-paper baskets recently was a Press release extolling the virtues of a new cure for baldness. "The University of Adelaide's Department of Commerce," it started invitingly "recently completed a survey of 168 purchasers of a newly-developed hair tonic claimed to cure baldness. The survey revealed that 62 per cent of the purchasers found that some re-growth of hair had resulted from using it." This alone might have prevented the hasty throwing away of such a document. Even more telling must be the imprimatur of the Australian Department of Overseas Trade, which issued the good news.

At Australia House, officials were curiously unwilling to give further details about "Ma Evans' Herbal Hair Tonic," even seeming rather bashful about Ma Evans altogether: "The Trad Trade Resources Department put it out—they do the same thing for all Australia projects, from pipeline-laying equipment onwards," I was told. I was directed for further information to Mrs. Norma Brooke, living in Railway Approach, East Grinstead, Sussex.

Mrs. Brooke is involved because the concession was passed to her by an Australian who has since gone home. "He didn't really do anything with it. He didn't push it," Mrs. Brooke told me—a trifle mournfully, I felt—from East Grinstead. "The trouble is that I'm not allowed to advertise."

Mrs. Brooke is not despairing, however. With 1,000 bottles of Ma Evans tonic on her hands at £14 (plus VAT) a time, she has sold 60 to Britons with bald patches. Her hubsand Ronald, 54, has been trying it too. The result? "So far none but he's only used one bottle."

Sky's the limit

The executives of Neiman-Marcus—which Texans see as their own answer to Harrods—labour every year to dream up outrageous Christmas presents. I learn that for 1979, the customers are being invited to "rise above it all with our his and her dirigibles." At a mere £25,000 each, the exclusively-designed N-M airships come complete with an engine, a well-stocked picnic hamper and "full flight instructions."

Once up and away, the affluent Texans will just "ride with the wind into the sunset." If my geography is correct, they may easily end up eating their picnics across the Rio Grande in Mexico.

Hard to stomach

A reader in Hampshire tells me that a sign has just gone up over the snack bar of his local pub: "Please refrain from talking about the Ayatollah Khomeini while others are eating."

Observer

POLITICS TODAY

Two more winters till spring

WHATEVER Mrs. Thatcher brings home from Dublin tonight this has been rather a good week for the Government. It cannot be every day that one of the main items on BBC television news shows a thug marching on Westminster bearing a banner with the slogan: "This is the only acceptable cut." The drawing on the banner was of an axe man holding his axe over the Prime Minister's neck.

With enemies like that, the Government scarcely needs to look for friends. Such an exposure does more to arouse pro-Government sympathies than an official information machine ever could.

There were other instances: the events at Charing Cross Hospital, for example. Again, it cannot be every day, though it may be becoming more frequent, that the doctors and nurses go out and mount a counter picket line—and win. Once more, the incidents received considerable publicity.

Not least, there was British Leyland. It is impossible to say what is going to happen about the sacked shop steward, Mr. Derek Robinson. But it is certainly becoming conceivable that the Government is in the unusually fortunate position of standing to gain either way. If the unions do in the end make trouble about Mr. Robinson's dismissal, the Government can say that there will be no more aid to BL. The company will have to go into liquidation, be sold off, hived off or whatever. It would be the perfect example of the Government putting into practice the philosophy that people must take the consequences of their own actions. It would be wrong to think that the Government is not prepared to do it.

If, on the other hand, Mr. Robinson's dismissal is accepted, something else will have been proved. The power of the shop stewards and of the unions will have been shown to be less than it was, or at least less than was thought. The consequences of such a demonstration could run throughout British industry. The Government, for its part, would have every reason to be cheered.

Of course, it is quite likely that the outcome will not be at all clear cut: that Mr. Robinson will not be reinstated, but that neither will there be industrial peace. That is the way things usually happen. Yet even in those circumstances there is a case for saying that events are moving the Government's way. There is clearly, after all, an internal debate going on among Leyland workers, among the unions involved and perhaps even among the shop stewards themselves. The calls for strike action and a show of solidarity were muted and the response was not automatic. The Government is entitled to claim that its message about the economy is at least getting through, even if it is not yet being wholly accepted.

Public opinion

Taken together, what the events at Charing Cross Hospital and at BL suggest is that public opinion in the country is still fluid. There is a section of the public which does not normally vote Conservative, but which is ready to consider the possibility that the Government's economic policies may be right. It was the same in the general election in May when, it will be remembered, the Tories *made their biggest gains* in the car-manufacturing constituencies.

In Birmingham Northfield, for example, which houses the Leyland Longbridge plant where much of the trouble has been this week, the Tories overturned a Labour majority of over 10,500. It is at least noteworthy that the new Conservative Member, Mr. Jocelyn Cadbury, is still going out to the Leyland workers preaching the Tory message that British industry must become more competitive or face the consequences, and claims not to be losing ground in the constituency.

The political question is how to persuade the Conservative Party as a whole that this kind of reconsideration of traditional party loyalties is still going on, despite the consistent Labour lead in the opinion polls and despite the forecasts of at least two hard winters to come.

Put another way, the problem facing the Government is that whatever its supporters may have thought they were voting for in May, few of them can have expected to be living with a 17 per cent Minimum Lending Rate and a 15 per cent mortgage rate six months later. It was the shock of the rise in MLR two weeks ago which caused the stirrings in the Tory ranks.

There is something else which the Government, or rather that part of it which deals with the economy, realised before the party and that is the rise of the level of pay settlements. It is no exaggeration to say that this is the Government's biggest single anxiety at the moment and is likely to remain so for some time to come. Again, the problem is how to explain convincingly that the Government is giving priority to reducing inflation when inflation is visibly rising and is being fuelled by *pay awards which at least keep pace* with the forecast rise in the retail price index.

Charing Cross Hospital, London: a counter-picket of nurses makes sure that fuel oil is delivered in spite of the engineering workers' attempt to keep it out.

The Conservative Party has reacted in two ways. On one level the criticism of Mr. Angus Maude, the Cabinet member responsible for information policy, has if anything intensified in the past two weeks. Any Government unpopularity is tending to be blamed on poor presentation. On another level there is a renewed determination that the economic policies on which the Government was elected must be seen through.

Much of the criticism of Mr. Maude seems to me to be unfair and akin to beating the messenger for bringing bad news. In fact, any government and any opposition goes through periods of unpopularity and puts the blame on the way its policies are presented. That is a political rule. It does not mean that there is no chance of recovery.

Besides, the news is not all bad. Mr. Maude is entitled to claim that the shift in the climate of opinion which led to the Conservatives' election victory is still going on. The events at BL are evidence of that. It is also not true that the Press has turned against the Government.

The newspaper which some Cabinet Ministers—Sir Geoffrey Howe, for example — most like to watch is the Guardian, on the grounds that it gets through to the parts that Tory spokesmen don't reach. The Guardian is not, on the whole, unsympathetic. It appears to be having its own internal debate, but it has been unable to come up with any alternative to the Government's economic policies.

Yesterday it carried an editorial which concluded: "After the lamentable failure at Charing Cross Hospital, we find it increasingly hard to argue that the TUC should be left to police its own members. Mr. Murray has already threatened to tear up the (voluntary) guidelines if the (Government's Industrial Relations) Bill becomes law. On current performance that will be no great loss." It could have come from the Daily Telegraph.

So much for information policy. The most obvious manifestation of the determination if anything to *reinforce* existing economic policies is the insistence that there must be yet more public expenditure cuts. In 1976 Sir Keith Joseph, now the Industry Secretary, in his famous lecture "Monetarism is not enough," said: "Cuts mean cuts. At present we have learned, actual government expenditure has outrun projected expenditure by several per cent of the GNP. We shall need to cut it back by several per cent. Pseudo-cuts of future programmes will not be enough. We shall need to cut state employment and subsidies to rail, steel, housing and the supported sector." That is the mood of the Conservative Party at the moment.

How long the present mood will continue in the face of possible by-election setbacks and adverse opinion polls is another matter. But all present suggestions are that it will last at least another year. In this context it is notable that the economic forecasts which the Government has seized upon with most relief this week are those of the London Business School. They point to some economic recovery after 1981 if current fiscal and monetary policies are maintained, and to single figure inflation in 1982.

The Government, or at least Mrs. Thatcher and the Treasury team, claim not to believe in forecasts of any kind, whether their own or anyone else's. But it is striking how they have latched on to the LBS projections, and the explanation is very simple. They give economic credibility to a political timetable which demands a general election by 1984 at the latest. In other words, the Government has two years or so in which to show whether its policies work and, if they do, time enough to recover popularity before the election takes place.

The crucial proviso is whether the party's nerve holds. All one can say is that after the initial shock of the 17 per cent MLR, it appears to be more than holding at present. It will be a case of going out to the country and repeating the Government's economic message. As Mr. Nigel Lawson, the Financial Secretary to the Treasury, said in a speech to the City this week: "What we have yet to secure is a proper understanding of our policies outside the square mile." There is some evidence that that task will now be undertaken.

Is that enough? Apart from dropping some of the illiberal measures—such as the sex discrimination proposed in the White Paper on immigration—which appear to be the inevitable corollary of Conservative government but which, one must admit, seem to cause no great pain to the bulk of the population, the Government might like to try communicating with itself. Ministers are not talking to each other outside their departmental interests, nor are they talking very much to the Parliamentary Party.

One of the ablest Tory MPs who has been in the House for several years confessed the other day, for instance, that he had never even met Mr. Michael Heseltine, the Secretary of State for the Environment. There are other examples. A senior Minister will tell you that he is working on a major programme—let us say about constitutional reform—to be introduced in the next parliamentary session. Then it turns out that nobody else knows anything about it and indeed the bulk of the professional advice is that (say) reform of the House of Lords cannot be attempted during the lifetime of the present Parliament.

Several other cases could be cited and there are excuses. Some ministers have been so bogged down in their departments learning the job that they have had no time to raise their sights. That is why we have heard so little from Mr. Francis Pym, the Defence Secretary, except on his own subject.

One is told that some work about the future is going on, both in the policy unit attached to the Prime Minister's office and in the "think tank." But one would like to hear more about it. At the moment it looks like an awful slog. It would be useful if ministers could be brought together from time to time to talk about the wider issues.

Malcolm Rutherford

Letters to the Editor

Idle land in London

From the Chairman of the Council, London Chamber of Commerce and Industry

Sir,—Mr. John O'Grady's letter (November 24) criticising the London Chamber's support of an urban development corporation for docklands contains some misconceptions and inaccuracies.

The "plan" which was referred to as having "been through all the necessary statutory consultative processes" is the docklands strategic plan which was approved, after wide consultations, in July 1976 by the docklands joint committee containing representatives of the six local authorities concerned. The London Chamber has also given it strong support and believes that it should provide the framework for development by the new development corporation.

Mr. O'Grady suggests that substantial progress has been made in docklands and that this has been underestimated. Contrary to his assertions we have studied the booklet "Local Democracy Works" produced by the boroughs, and the docklands joint committee's booklet "A Review of Progress." While not wishing to undervalue the achievements in docklands, the London Chamber—whose industrial and commercial members are the very people who need to be attracted to docklands—is extremely concerned at the slow progress being made on infrastructural developments, particularly on the provision of roads and private housing. Two examples from Mr. O'Grady's own area of Southwark docklands illustrate both the lack of progress and the difficulties of blending the interests of six local authorities, all with planning powers, into effective executive action. The development of Surrey docks is still in the balance following the abandonment of the Trammel Crow trade mart project and only recently has work begun on the infrastructure. Another project, the building of a southern relief road is obstructed by the opposition of the boroughs of Southwark and Tower Hamlets to Greater London Council plans. I note that on this occasion the councils employed a firm of engineering consultants to produce yet another glossy report—all at the expense of local ratepayers.

Because of the continuing spectre of costly conflict between authorities representing different constituencies and interests the Chamber feels it is necessary to take the boroughs out of this invidious position by creating a unified executive authority, the urban development corporation. Development corporations are not new and untried; they were employed to develop Britain's new towns with considerable success and, in the case of Peterborough, to develop an area which like docklands, already had an established existence. Neither is there any reason why the docklands UDC should not be responsive to local opinion. Every UDC has a consultative committee containing local representatives, this one should be no exception. While not directly elected the UDC will report to the Secretary of State who in turn is responsible to Parliament.

I agree with Mr. O'Grady's final point that the key to unlock docklands is the release of the statutory undertakers land required for development, combined with the necessary resources. The docklands UDC will have powers to acquire and use land now idle, much of which is owned by public bodies, including local authorities, and the private sector's resources will be channelled into one unified executive body instead of being dissipated and in many cases duplicated through six different authorities.

D. J. King.
69, Cannon Street, EC4.

Take an axe to CTT

From Mr. P. Milne

Sir,—I am surprised Mr. Tallon (November 20) thinks the abolition of exchange controls will not affect the take from capital transfer tax by making evasion more likely. Time will be the judge and Mr. Tallon is perhaps being mindful of the considerable extent to which CTT liabilities can be planned away by professional advisers. This despite the assertion, with which I also agree, that "CTT is technically a well constructed tax."

I hope, however, that Mr. Tallon is wrong in claiming that CTT or an equivalent must stay because of political realities. Perhaps the Government may reflect upon the basic economics of the tax, which I would summarise as follows: CTT raised £323m in 1978-79 and £360m is forecast in the current fiscal year, about 1½ per cent of the yield from income tax to put the sum in perspective. This is set to fall with the promised relaxations by the Chancellor and, I submit, from extra evasion following the abolition of exchange controls. I am guessing but the total might come down to, say, £200m in today's money. The costs then have to be considered—the running of the capital taxes office, and the private sector's expense in trying to understand this recent tax and comply with it.

The object of CTT, as with estate duty, was of course to effect some redistribution of wealth. Clearly, anything left for this purpose after the Revenue's bill for collection of the tax is statistically immaterial. The reality seems to be that the tax merely supports some employment in the Revenue and the legal and accountancy professions. A rather similar case can be made for dispensing with two other low-yielding taxes—capital gains tax and development land tax.

Peter Milne.
47, Roderick Road, NW3.

Index-linked stock

From Mr. W. Bishop,

Sir,—It is no doubt a brave man who crosses swords with Mr. Brittan. (November 22) Mr. Wilkie (November 8 and 20) and to an extent your editorial columns, but I feel that there are two cogent objections to the issue of Government index-linked stock.

The first is that it would in all probability open the door to general indexation of all areas of the economy. It can of course be argued that this has in the case of Brazil enabled the economy to function and grow with less distortions than might otherwise have been the case in the presence of high rates of inflation. On the other hand, in contrast to the early 1970's when it could be said that indexation might have contributed to a reduction in inflation from 90 per cent to a mere 15-20 per cent per annum, it is noticeable that in recent more difficult world economic circumstances Brazilian inflation has been running at some 40 per cent per annum and appears to be rising further. It thus seems that a move to general indexation should be seen as an acquiescence in a high rate of inflation rather than as a move towards reducing it.

The second objection, though narrower, seems to me stronger. It is clear that in the United Kingdom even well-intentioned Governments find it very difficult to reduce the budget deficit to a level compatible with a degree of monetary control tight enough to give some eventual hope of lower inflation. For the past six years, keeping money supply even partially under control has necessitated the Government raising vast sums in the gilt-edged market at rates so high that virtually no long term corporate borrowing has taken place. This process, however, does have a limit in that some institutional money is put into equities or property almost regardless of the interest rate offered on government debt, and industry is therefore at least not totally cut off from equity and leaseback finance. If Government is allowed to add index-linked stock, which effectively competes with equity and property investments, to its quiver of funding instruments and is free to set attractive issue terms, it seems to me that the likely effect is to raise the limit on Government improvidence from its present level to the point where all savings are pre-empted by its attempts to finance its own deficit without excessive monetary expansion and no net sum at all is left available to provide long term finance for the corporate sector. The evidence of recent years does not encourage belief in Government's ability for long to constrain voluntarily its financing demands within the total sum that could be raised.

W. J. Bishop.
The Springs,
Oakenden Lane,
Chiddingstone Heath,
Edenbridge, Kent.

Mortgage default

From the Housing Policy Officer, Shelter.

Sir, — John Heddle, MP, (November 27) claims that Shelter's statement that the record mortgage rate will make thousands homeless is "without foundation."

In fact, Department of the Environment figures show that last year mortgage arrears was the main reason why some 2,500 families became homeless. Similarly, 16 per cent of a sample of families granted mortgages by Birmingham Council either had their homes repossessed or were in severe financial difficulties. This, and other evidence from Shelter's network of housing aid centres, suggest that the record 15 per cent mortgage rate will inevitably increase homelessness.

Shelter welcomes the sympathy with which building societies handle mortgage arreas. Yet an extension of the mortgage term will not usually be sufficient to prevent substantial increases in mortgage payments.

Shelter certainly hopes that Mr. Heddle is right and not one person will become homeless as a result of the record mortgage rates. The evidence is that he is wrong.

Jim Wintour.
157, Waterloo Road, SE1.

Recovering possession

From the Press Officer, Small Landlords Association

Sir,—I *am not sure how* alarmist Shelter is being about the possibilities of mortgage default (letter from John Heddle MP, November 27) but it is certainly being somewhat hypocritical.

In evidence on the 1977 review of the Rent Act, Shelter and the Labour Party proposed that where an owner occupier takes in a tenant the rights of the building society to recover possession should only exist in so far as it was necessary to recover its equity.

The National Consumer Council was more specific. It proposed that on mortgage default the tenant of an owner occupier should be entitled to remain in a property if there was sufficient equity from the sale of the property tenanted to cover the outstanding mortgage. If not the tenant should be entitled to substantial damages from the owner occupier.

These proposals if enacted would impose enormous penalties on owner occupiers *who take in tenants and who* were unfortunate enough to default on their mortgage. And it would compound still further the monstrous philosophy behind the Rent Act that the landlord, once having taken a tenant in, should be duty bound to house him, subsidise him and protect him indefinitely regardless of the consequences for the landlord or what disasters might befall the landlord.

G. F. Cutting.
7 Rosedene Avenue,
Streatham,
SW16.

Democracy in the Post Office

From the General Secretary, Telephone Users' Association

Sir,—I detect a certain complacency in the letters (November 26) of both Mr. P. Shaw and Mr. Anthony Carter. Since the experiment in democracy started, the users of the Post Office's telecommunications services *have experienced* more disruption and more difficulties over a longer period as a result of industrial action than ever before. We do not apportion blame between either the management or unions involved but what is manifestly clear is that the Board, on which all the parties concerned were represented, proved itself quite incapable of either resolving the crisis or even of agreeing arbitration procedures for doing so.

The damage caused by these disputes is still with us; and prices are being increased by more than would otherwise have been necessary to make good the £120m in lost profits. Consumers are entitled to be sceptical as to the benefits of this experiment.

Mark Elwes.
Telephone Users' Association,
34, Grand Avenue, N10.

Responsibility for curriculum policies

From the Chairman and Vice-Chairman, Council of Local Education Authorities

Sir,—We have noted your leader of November 15 in which you refer to the Government's recent publication of a survey of local education authorities' curriculum policies. The fundamental weakness of the questionnaire was that it was a first attempt to gather information nationally about curriculum practices: It included questions which required interpretation before they could be answered. It was pointed out at the time that authorities' interpretations of the questions would vary and so would their answers. The curriculum document provides a useful snapshot of the situation, admittedly well over a year old. It illustrates predictably and accurately different interpretations of the questions and differing practices, both within and between local education authorities. Those variations have now been charted, albeit crudely. Their existence should surprise no one. For over 30 years we have, as a community, valued our freedom from direct central Government control in the classroom and emphasised the freedom of teachers.

As a community we have become increasingly conscious of needs which we may no longer be meeting. The Department of Education and Science commentary on the survey, however, makes no suggestion that authorities should seek detailed control of school curricula. What it does suggest is that authorities have a responsibility to formulate curriculum policies and objectives "which meet national policies and objectives and command local assent."

It would be naive to assume *that there is not already a large* measure of consensus on the curriculum. A recent survey of primary schools showed a concentration on basic subjects. LEAs are well aware of the work their schools carry out, and it is not surprising that they have seen no need to specify detailed policies for what is already done. These achievements, and improving examination results, come from the present system — not from rigid national policies. The department's survey refers to the need for local assent and to the possibility of a framework of guidance for LEAs and schools. If there is a greater degree of consensus about what should be taught (as opposed to how it should be taught), then Government and local authorities — the democratically accountable bodies — will be made aware of it during the consultations which are suggested. The responsibility that LEAs demonstrated in their answers to the survey indicates their willingness to examine the curriculum; they will be ready *to join in discussions* but we hope that no one will mislead the public into expecting agreement on detail through Acts of Parliament.

Angela Rumbold.
Alistair Lawton.
Eaton House, 66a, Eaton Square, Westminster, SW1.

Today's Events

GENERAL

UK: National Union of Mineworkers' ballot on National Coal Board's 20 per cent pay increase offer.

Mr. James Callaghan, Opposition leader, speaks at Labour Party meeting, Glasgow.

Local authority manual workers pay talks—employers reply to pay claim.

Mr. Hamish Gray, Energy Minister, addresses seminar on investment in the UK under a Conservative Government, London.

Problems in the wool textile and clothing industries conference, Bradford.

Food and Drink Industries council meets, London.

Overseas: EEC summit meeting concludes, Dublin Castle.

London Chamber of Commerce trade mission leaves for Saudi Arabia (to December 13).

The Pope ends tour of Turkey, returns to Rome.

PARLIAMENTARY BUSINESS

House of Commons: Private Members' Bills.

COMPANY MEETINGS

Dalgety, the Institute of Directors, 116 Pall Mall, SW, 11.30. Dawnay Day, Garrard House, 31 Gresham Street, EC, 11.30. Goodman Brothers and Stockman, Winchester House, 77 London Wall, EC, 11.30. Great Universal Stores, Chartered Insurance Institute, 20 Aldermanbury, EC, 12. Newman Tonks, Midland Hotel, Birmingham, 12.

COMPANY RESULTS

Final dividends: Tomkinsons Carpets. Interim dividends: Alpine Soft Drinks. Brady Industries. David Dixon and Son Holdings. Routledge and Keegan Paul. Sangers Group. Shaw and Marvin.

BP net income soars to £1.2bn at nine months

THE SHARP rise in oil prices had a material effect on the level of group income of British Petroleum in the first nine months to September, 1979, through the application of the LIFO method of stock valuation.

Net income in the third quarter was boosted from £85.6m to £561.7m to give a nine-month total of £1.18bn compared with £292m in the same period last year.

The prices of crude lifted or purchased by the group rose by some 60 per cent during the first nine months and have risen further in the fourth quarter, the directors say.

The dollar exchange rate against sterling moved only marginally during the third quarter and exchange factors in consequence are not material compared with the level of group income in the quarter.

Total income in the third quarter rose from £3.62bn to £4.65bn and pre-tax income was £1.47bn against £530.3m. The nine-month figures were £13.25bn (£10.71bn) and £3.2bn (£1.66bn) respectively. Net income per ordinary share for the nine months was hoisted from a re-stated 18.8p to 76.5p.

Applying the LIFO method, the group's earnings would be reduced by £675m for the nine months, £350m of which relates to the current quarter.

The reported net income of the group for each of the first three quarters of 1979 after deduction of the estimated LIFO effect approximates £140m, £157m and £212m respectively.

For the third quarter of 1978 it is estimated that the use of LIFO would have increased net income by about £60m but would not have had a significant effect on the cumulative figures for the nine months.

HIGHLIGHTS

Lex cuts a path through the jungle of oil company accounting and explains the significance of the large element of stock profits which have swollen British Petroleum's third-quarter profits. Elsewhere, buoyant profits were also reported by the Royal Bank of Scotland, thanks to high interest rates and strong demand for advances. Lex also discusses the background to the talks between GKN and British Steel Corporation on possible restructuring of certain overlapping steel operations. On the inside pages comment is passed on the half-time figures from The 600 Group, where profits are down by 57 per cent. Tunnel's six-month figures show a good rise in profits, while the smaller Hargreaves company notches up a modest pre-tax rise in its half year. Other news of the day came from Wearwell with another rights issue—this time for £2m—and the awaited issue to the public by Haynes Publishing, which has opted for an offer for sale by tender.

With reduced quantities of crude oil supplies available from Iran, and, in the third quarter the loss of access to Nigerian crude, sales of crude oil by BP to third parties are now at a very low level.

Product sales have been maintained with the group supplementing its own sources and contracted supplies with purchases in the open market.

Improved results have been recorded by refining and marketing operations in Europe, with downstream margins now at levels which provide a substantial contribution to group profitability on a historic cost basis.

Elsewhere the improvement, while not as great as that recorded in Europe, but has nevertheless been satisfactory, the board states.

The contribution for the first nine months from Sohio is £295m against £98m last year. During the third quarter Sohio's share of Alaskan production inclusive of royalty oil averaged 686,000 barrels per day and in consequence the group's shareholding increased to its maximum level of 53 per cent.

Production from the North Sea for the first nine months from the group's share of the Forties and Ninian fields compared with 457,000 barrels per day over the corresponding period of 1978.

The profitability of the group's coal interests in Australia suffered from reduced market recoveries at a time of rising costs, by the maintenance of a Government export levy and by labour problems which have restricted the volume of exports.

The amounts required to finance the group's capital reinvestment programme and to support its working capital requirements continue to increase. Total capital investment, including in 1979 acquisitions of £351m in the first nine months amounted to £1.14bn (£759m).

	Nine months 1979 £m	1978 £m
Sales and operating revenue	16,246.1	12,905.8
Customs duties and sales taxes	3,240.5	2,353.1
Net sales and operating revenue	13,005.6	10,552.7
Other income	241.7	155.8
Making	13,247.3	10,708.5
Cost of sales	8,004.1	7,227.0
Distrib., selling, admin. and other expenses	1,213.7	1,008.7
Deprecn. and amounts provided	526.4	447.2
Interest and financing	304.4	356.9
Making	10,048.6	9,049.8
Income before tax	3,198.7	1,658.7
Tax	1,705.7	1,263.0
Minorities	309.5	103.7
Net income	1,183.5	292.0

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Burtonwood Brwry int.	1.7	Feb. 29	1.5	—	3.89
Crosby Spring ......int.	0.24	Jan. 18	0.24	—	0.79
Cullen's Stores ......int.	1**	Dec. 21	1	—	6.48
Eng. & O'seas Invs. int.	0.44§	Feb. 18	0.39	—	0.87
Gordon & Gotch ......int.	3	Jan. 2	2.95	—‡	5.9
Hargreaves ......int.	1.6†	Jan. 26	1.45	—	3.59
Arthur Holden ......int.	2.0	Jan. 7	1.5	—	4.0
Prop. & Reversnry int.	1.0	—	0.66*	—	2.07
Malakoff ......int.	7.5*	Dec. 31	7.5	—	20
Prop. of Hay's Wharf ..	4.63	Feb. 1	3.96	6.35	5.53
Royal Bank of Scotland	2.4 ...	Jan. 21	1.39	3.82	2.94
600 Group ......int.	2.34	Jan. 18	2.04	—	4.67
Tunnel Holdings ...int.	6†	Jan. 26	4	—	12.5
United Wire	3.55	Jan. 18	3.24	5.75	5.24
Whitbread Inv. ......int.	1.98	Jan. 25	1.65	—	4.55

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Final of 4.5p forecast. § To reduce disparity with final. ¶ Malaysian cents throughout. ‖ Included 5 cents bonus payment. ** Gross throughout.

Tunnel boosted by acquisition

INCLUDING A full half year's contribution from the speciality chemicals division, taxable profits of Tunnel Holdings rose sharply to £5.26m in the 27 weeks to September 30, 1979. This compares with £3.54m for the first 26 weeks of last year. The directors state that progress should be maintained.

To reduce disparity with the final, the net interim dividend is lifted from 4p to 6p on earnings ahead from 19.5p to 31.2p per 50p share. Last year's final payment was 8.5p from profits of £6.55m.

A sub-division of ordinary share or stock units into shares of 25p is also proposed. If this resolution is adopted the interim dividend on "A," "B" and "C" shares will be 3p.

Commenting on the interim results the directors say that the speciality chemicals division—acquired in the second half of last year—performed well up to expectation and assisted materially in increasing group trading profits. The cost of the acquisition was also the major factor in reducing interest receivable from £672,000 to £164,000.

In addition to speciality chemicals, virtually all trading activities, including associates, improved their performance. The exception was the Stablex operation which is still in a formative stage. The policy to improve the balance between UK and overseas earnings is beginning to take effect. The overseas contribution to pre-tax profits now represents 23 (7) per cent.

	27 wks. £000	26 wks. £000
External turnover	32,682	21,441
Share of associates	12,915	12,378
Total turnover	45,597	33,819
Trading profits	3,706	1,794
Construct. materials and services	2,389	1,811
Speciality chemicals	1,370	—
Waste management services	*53	*17
Share of associates	1,365	1,033
Investment income	28	25
Interest receivable	164	672
Deb. interest payable	—	61
Exceptional items	—	53
Profit before tax	5,263	3,537
Group tax	578	732
Assocd. tax	661	386
Profit after tax	4,024	2,419
Exchange losses	250	40
Minority profits	2	12
Extraordinary credits	139	—
Available	3,911	2,267

* Loss.

Within cement operations the benefits of the rationalisation plan, helped by the August price increase, led to better trading figures. However, high cost inflation continues. A major contributor to this situation has been the severe gas price imposition at Pitstone which will continue to be an increasing burden for the rest of the year. But this penalty will be eliminated from the start of next year when conversion to coal firing is scheduled for completion.

Nevertheless, the directors believe it imperative that future prices of cement provide for margins sufficient to finance investment.

● comment

After languishing on an earnings plateau for the previous four years, Tunnel is taking off and looks set to make at least £9.5m pre-tax this year. The main impetus has come from speciality chemicals, which probably contributed around £720,000 after interest charges. Tunnel will have paid only four times trading profits if the group chips in £2.6m over the year, which it might well. Even stripping out contribution gives a pre-tax rise of 28 per cent at the interim stage, so cement is clearly picking up after the rationalisation. There is cash in the bank and the transfer of deferred tax to reserves will enhance the gearing potential at the year-end but the group plans only to build up its existing divisions. The Stablex venture continues to run at a loss and will need continued capital commitments. A U.S. plant could be started next year, for example. The company is giving few indications about the final dividend but, in addition to higher pre-tax profits, there will be lower costs below the line, a lower tax charge and benefit from realisation of the Erith holding (£139,000) to boost the attributable figure. An increase of 30 per cent would be well covered and produce a yield of 8 per cent on yesterday's share price, up 10p at 308p. Excluding extraordinary items and exchange losses, the prospective full-taxed p/e is 8.

Static year for United Wire Group

PRE-TAX profit of United Wire Group remained steady at £1.31m in the year to September 29, 1979, on turnover up slightly from £12.27m to £13.31m.

Although the effects of the haulage strike in the first half were minimised by increased output, this was offset by higher interest rates and heavier expenditure on development, and profit came out at £649,000 (£642,000).

The 12-month surplus is subject to tax of £537,000 (£568,000) and after charges including an extraordinary debit of £65,000 (£159,000), the attributable profit emerges as £707,000 (£580,000).

The dividend is lifted from 5.237p to 5.75p with a final of 3.55p, and earnings per 25p share are stated to have risen from 9.1p to 9.5p.

ISSUE NEWS

Second rights issue within 15 months by Wearwell

FOR THE second time in just over 15 months, Wearwell, a clothing manufacturer, is raising cash by way of a rights issue.

The latest call is for around £2m on the basis of two-for-five at 34p. At the end of September, 1978, the company asked shareholders for £0.75m on the basis of 27-for-100 at 25p each.

Underwriting is in progress.

The proceeds will be used to finance "substantially increased trading, particularly in export markets" in the 1980s, say the directors.

At the same time the company announces pre-tax profit more than doubled from £308,000 to £624,000 for the 26 weeks to November 2, 1979.

Stated earnings per share are up from 1p to 1.9p and the net interim dividend is raised from 0.8p to 1.15285p. For the full year the dividend payment will be 2.5p on the increased capital (1.1p), the directors forecast.

They report that the second half has started encouragingly with the rate of sales actually accelerating. "The company's exports currently exceed 75 per cent of sales, effectively insulating it from the effects of any but the severest downturn in UK retail sales, and any production capacity surplus to domestic demand can profitably be switched to export."

	First half 1979 £000	1978 £000
Sales	5,102	4,026
Profit before tax	624	308
Tax	324	160
Net profit	300	148
Interim dividend	124	46
Retained	176	102

● comment

For all the uncertainties of the market at the present time, Wearwell has little choice but to ask shareholders for another cash injection. The company has a particularly heavy order book but, with group borrowings already at £3m—roughly two-thirds of shareholders' funds—it is reluctant to increase gearing any further, especially with interest rates at such a high level. The proceeds will enable it to finance the additional stock and debtors and, because cut fabric is now shipped out to the new Cyprus factory for machining, extra production time. The overseas operation increases manufacturing time by up to four weeks but this, and the transportation involved, is still lower than UK production costs. The orders, if they can be executed, will occupy capacity until the end of 1980. The vagaries of the market no doubt explains much of the above average overnight discount of a third for an ex-rights yield of 8 per cent.

Haynes Publishing tender offer

BY ARNOLD KRANSDORFF

An offer for sale by tender is being made for 1.25m ordinary 20p shares in Haynes Publishing Group, publishers of D-I-Y car and motor-cycle maintenance books.

The minimum price will be 95p per share.

Underwriting has been arranged by Singer and Friedlander. The prospectus will be available on Monday and dealings start next Thursday.

In the five years to May 31, 1979, the group's sales rose from £0.7m to £4.1m with pre-tax profits up from £92,000 to £0.8m. The directors are forecasting current year profits of between £0.87m and £1.1m and a dividend total of 6p net, with an interim of 2p.

At this point in the year the company is operating at a rate which will top the maximum forecast, according to Mr. J. H. Haynes, chairman.

Assuming an outcome of about £1m, the prospective p/e at the minimum price is 9.9 fully-taxed or 6.4 on the expected tax charge, while the yield is 9 per cent. Dividend cover would be almost five times.

The offer, representing one-quarter of the company's equity, includes 300,000 new shares, the balance being sold by the chairman. After the offer Mr. Haynes and his wife will have a stake of more than 68 per cent.

Net assets, after taking into account the proceeds of the issue based on the minimum price, less expenses, amount to 32.5p per share.

Although the group has a large proportion of the UK market (about 65 per cent) the directors are confident that with escalating motor repair and service charges the market will continue to expand as more of the motoring public become aware of the large savings which can be made. This natural development of the overall market combined with an extension of the company's list of vehicle manuals and handbooks for other motorised products should ensure that there will be further real growth in UK sales. There are currently 43 new manuals and handbooks in the course of production representing an approximate 12 per cent increase in these titles.

The directors consider that the American market will provide the major growth area for sales and the group has already gained around 12 per cent of that rapidly expanding market.

The addition of the editorial team to the marketing and distribution business in the U.S. will provide a substantial benefit towards increasing the market share. It is now possible for the group to produce manuals aimed principally at the American market, where over 10m new vehicles were sold in 1978 of which approximately 2m were imported.

While the directors consider that the group's major growth is expected to arise in the UK and U.S., they also intend to build on markets established in Australia, New Zealand and other English-speaking countries.

● comment

Haynes will be the second publishing company to come to the market in under two months. However, unlike Link House, which was a straight offer for sale that went to a 40 per cent premium on the opening day, Haynes' offer is by way of tender—reflecting the difficulties of pitching an accurate price in today's uncertain market. The company's record is good, particularly in the UK where market share has jumped from about 35 per cent to around 65 per cent in five years. Clearly, though, the spur to future growth will come from the U.S. where the automotive market, although a battleground, is immense. Even though Haynes claims to have a superior product, there is a need for caution given that the market for owners manuals is becoming increasingly more difficult (mainly due to overcapacity) and at least one major publisher has fled the UK. Assuming a tender price of 110p, the shares sell on a fully-taxed p/e of 11.5 and yield 7.8 per cent—an acceptable rating.

Dispute hits EOI's interim figures

THE ENGINEERING dispute and the resultant fall-off in retail sales, is blamed for lower pre-tax profits of English and Overseas Investments. Figures for six months to September 30 show pre-tax profits down from £252,792 to £178,898.

Turnover for the period increased from £2.2m to £2.5m. An extraordinary debit, being expenses of Loan Stock Issue, of £52,299 (nil) was incurred.

Stated earnings per 10p share are lower at 1.55p (2.46p), but the interim dividend is increased from 0.39p to 0.4375p to reduce disparity. Last year's final was 0.485p.

Mr. C. J. Jefferies, the chairman, states there has been an improvement since September, but the board do not expect profits for the year to exceed last year's £549,000.

Royal Bank of Scotland up 42%: profits on a plateau

REFLECTING HIGHER interest rates and increased resources and advances, taxable profits of the Royal Bank of Scotland Group rose by 42 per cent to £96.64m in the year to September 30, 1979, against a restated £68.27m, including a share of associated companies' profits up from £11.34m to £12.96m.

The surplus at Williams and Glyn's Bank increased from £29.16m to £47.46m, and the Royal Bank's profit went ahead from £39.09m to £49.04m.

Mr. John Burke, the group's managing director, said the larger increase in profit for Williams and Glyn's compared with Royal Bank was partly due to a higher bad debt charge for the latter and the sluggish Scottish economy.

Williams and Glyn's, with its smaller branch network, also faced less pressure from the rising costs of retail banking.

The group is the first bank to publish details of its bad debt provisions.

Despite record interest rates, said Mr. Burke, the bank has not yet seen any let up in demand, and the overall growth in borrowing was some 14 per cent. One reason for buoyant loans business was the need of corporate customers to finance high wage settlements.

But although the base rate average 12.7 per cent, 4.8 percentage points higher than last year, the average margin between base rate and retail deposit rate narrowed from 3.2 per cent to 2.6 per cent.

Earnings from commissions and fees increased by 16 per cent. But costs, two thirds of which relate directly to staff salaries and wages, grew even faster, in line with the sharp rises throughout the industry.

Although unwilling to forecast the level of profits the bank would achieve in the current year, Sir Michael Herries, chairman, warned that when interest rates come down, the group would be hit hard. At the moment, he saw profits "on a plateau."

And Mr. Sidney Procter, chief executive of Williams and Glyn's Bank said that the corset is "biting very hard"—over the past year both banks had to pay the price for going into the penalty area.

A final dividend of 2.4p lifts the total payment for the year to 3.92p compared to 2.94p.

Theadoption of SSAP 15 has reduced the tax charge for the group by £13.87m to £35.28m, compared with a restated £27.57m. After an extraordinary debit of £139,000 (£736,000 credit) and dividends, £52.35m is retained (£34.78m), giving stated earnings of 27.3p (18.1p) per share.

A number of changes in accounting practice have been introduced this year. The operating profit is struck after charging net losses on sales of gilt-edged securities during the year—the five-year averaging system previously adopted has been discontinued.

Franked investment income has been grossed up for the imputed tax credit, instead of being grossed up for UK corporation tax as before. The operating profit for last year has been restated to take account of these two changes and is consequently £882,000 higher than previously published.

In addition, provision for bad and doubtful debts results in a charge of £8.48m, the previous five-year averaging system having been discontinued.

The group's total provision for bad and doubtful debts rose from £40.44m to £44.24m in the year after £1.4m currency translation adjustment. £8.42m written off and a recovery of £5.14m in debts previously written off.

Williams and Glyn's high specific bad debt provision, reduced from £19.27m to £16.54m, is said to be due largely to its portfolio of doubtful property and other loans made in the mid-1970s.

The Royal Bank of Scotland Group is a wholly-owned subsidiary of the National and Commercial Banking Group.

	1979 £000	1978 £000
Operating profit	83,679	56,923
Associates	12,956	11,344
Profit before tax	96,635	68,267
Tax	35,282	27,565
Profit after tax	61,353	40,702
Pref. dividend	54	54
Extraordinary debit	139	*736
Attributable	61,160	41,384
Ord. dividend	8,811	6,608
Retained	52,349	34,776

*Credit

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Alpine Soft Drinks, Arlen Electrical, Brady Industries, David Dixon, Downs Surgical, Leslerllush, Routledge and Keegan Paul, Sangers, Scapa Group, UKO International.

Final—Tomkinsons Carpets.

FUTURE DATES

Interim—	
Attwood Garages	Dec. 6
Austin (E.) (London)	Dec. 7
British Tar Products	Dec. 6
Clarke, Nickolls and Coombs	Dec. 5
Imperial Continental Gas	Dec. 11
Mocanio (London)	Dec. 7
Warnford Investments	Dec. 5
Final—	
Bass	Dec. 5
K Shoes	Dec. 11
Muirhead	Jan. 24

Property & Reversionary up 24% after six months

COMPARED WITH a forecast 10 per cent increase for the full year, pre-tax profit of the Property and Reversionary Investment Corporation shows an advance of 24 per cent from £626,000 to £776,000 in the first six months ended September 30, 1979.

As a result of the sale of its 18.2 per cent holding in Property Holding and Investment Trust the company now has over £7m on deposit and in short term securities, from which only a small amount of interest is included in the half year.

In his interim statement Mr. Alfred Rubens, chairman, says that the abnormal expected increase in the profit for the year due to the high interest rates now prevailing will not influence the directors' distribution policy.

Earnings per 25p share are stated to be up from 1.5p to 1.9p and the interim dividend is effectively raised from 0.66p to 1.0p. The total for 1978-79 was equal to 2.07p paid from profits of £1.26m.

Gross income of this property investment and development group rose from £1m to £1.23m in the half year. The pre-tax profit was struck after expenses £364,000 (£281,000), and interest of £90,000 (£97,000). Tax requires £362,000 (£297,000) and the attributable profit comes through at £414,000 against £329,000.

The group disposed of its 2,165,000 share stake in Property Holding and Investment Trust in August. The net proceeds amounted to £7.8m representing a profit of some £4.6m—£3.2m net.

The shares were sold to generate sufficient cash to fund the future development programme without recourse to borrowings, and to acquire other properties as and when suitable opportunities arise.

Gordon and Gotch aiming for over £1.2m

AN INCREASE in pre-tax profits for the current year, from £833,000 to over £1.2m, is forecast by Sir Anthony Percival, the chairman of Gordon and Gotch Holdings, publication exporter and computer services group.

Profits for the six months to September 30, 1979 rose from £502,000 to £612,000 and the chairman confidently expects that the second-half result will match that now reported. He adds, however, that this is "provided only that Britain does not again suffer major industrial disruption as occurred in January and February."

Mr. Percival says the first-half performance reflects the recovery of the traditional export trading side of the business, after the disturbances of last winter.

The net interim dividend is 3p (2.948p) per 25p share, and provided trading continues to fulfil budget forecasts, the directors intend to recommend a final of 4.5p lifting the total payment from 5.898p to 7.5p.

Group turnover for the first half came to £16.12m (£15.03m) and associates' turnover reached £25.05m (£21.69m). Profits included £195,000 from quoted investments, internal rents and short term lending, with £417,000 from trading, including associates' share.

The chairman explains that the company's decision to maintain a strong cash position ensures that the current high interest rates will not hit it too severely in the coming months.

The abolition of UK exchange controls provides the company with new opportunities for expansion and investment, he adds.

Sales of British magazines in Canada remain an area of concern, says Sir Anthony, who reminds members that this distribution, through the independent Periodical Distributors of Canada, achieved little more than break-even, despite half-yearly net sales of over £1m.

However, the steady growth in recent months of the Dawson Royle and Willan, specialised book groupage services, helped to compensate for the Canadian setback.

Since April, a further Burroughs B3771 computer has been installed at the Staines bureau.

GROUP INVESTORS

Following the removal of foreign exchange controls, the board of Group Investors has repaid three of the company's dollar loans, amounting to U.S.$1.8m, by purchasing dollars with sterling.

Hay's Wharf tops forecast

PRE-TAX PROFITS of The Proprietors of Hay's Wharf for the year to September 30, 1979, have comfortably passed the forecast of £4.7m made at the time of the July rights issue. With turnover climbing from £52.5m to £61.5m, taxable profits come out at £5.35m against the previous year's £4.55m.

The net total dividend is raised from 5.525p to 6.35p, as forecast, with a final of 4.63p. A total of 7.21p has already been indicated for the current year. Stated earnings per £1 share are given as 24.72p (22.31p).

In July the chairman stated that prospects for the group's trading divisions for the current year appear good, the recent acquisitions making a full year's contribution to profits for the first time.

Reserves have been increased by an additional £1.85m as a result of changes in accounting policies.

	1978-79 £000	1977-78 £000
Turnover	61,500	52,500
Trading profit	5,895	4,587
Depreciation*	332	—
Charges†	209	36
Profit before tax	5,354	4,551
Taxation	741	565
Net profit	4,613	3,986
Extraordinary debits‡	714	390
Net surplus	3,899	3,596
Dividends	1,382	1,034
To reserves	2,517	2,562

* On freehold buildings. † Operational and exceptional interest charges. ‡ Comprising losses, less profits, £437,000 (£238,000 profits, less losses); and £277,000 (£628,000) premiums on acquisitions of shares in subsidiaries and goodwill written off.

Crosby Springs downturn

ALTHOUGH TURNOVER was better at £4.91m, against £4.61m, pre-tax profits of Crosby Spring Interiors dropped from £413,433 to £283,366 for the six months ended September 30, 1979.

The directors say that given industrial peace, especially in engineering, the group should achieve a much better result in the second half, although full year trading profits on the scale of 1978-79 cannot be expected.

In the previous full year, the group, which makes springs and spring units, reported record taxable profits of £1m, on turnover of £10m.

Looking further ahead, the directors believe that, under normal conditions the group's advance should be resumed in 1980-81.

Tax for the six months takes £147,350 (£214,885), but after extraordinary credits up from £18,813 to £149,609, the attributable surplus increased by £84,029 to £285,625.

The net interim dividend is 0.24p (0.23958p) per 10p share—the final last time was 0.55p.

The directors explain that Crosby Springs was badly affected by the long strike by Talbot employees and by disputes and low output elsewhere in the motor industry..

As a result, this subsidiary was forced to take drastic action involving costly redundancies and some of the company's plans for expansion here have been cut back.

Against this background, the directors say the group performed well, due to past diversification and to devoted management.

The costs of the replacement of Woodfield Engineering factory, yet to be built and of the replacement plant installed in the Rossendale works, are considerably above the cost of the destroyed property.

Thus there is a below the line profit and as replacement continues, further profits are expected to arise in the current half-year.

The directors state that is not possible to give a firm figure for these at this stage, but as a guide they say they should exceed £200,000.

Although trading and non-trading profits, taken together are expected to raise the group's net assets substantially above the total at March 31, 1979, the directors say expansion in hand may lead to a fuller use of borrowing arrangements by the year-end, unless trading results prove better than currently seems likely.

Burtonwood tops £1m first half

Pre-tax profits of Burtonwood Brewery Company (Forshaws) increased from £879,000 to £1.08m in the 26 weeks ended September 29, 1979 on higher turnover of £6.89m against £5.75m.

The interim dividend is being lifted from 1.5p to 1.695p—the previous total was 3.89p from pre-tax profits of £1.86m.

TRUSTS REDUCE BORROWINGS

Philip Hill Investment Trust has repaid U.S.$5m of foreign currency borrowings while the Nineteen Twenty-Eight Investment Trust has repaid $1m and General and Commercial Investment Trust, $200,000.

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MINING NEWS

Bond offer prompts new bid for BH South

BY KENNETH MARSTON, MINING EDITOR

A SUDDEN foray by Australia's colourful entrepreneur, Mr. Alan Bond, looks to have finally resolved the long drawn out battle for control of the BH South mining and investment group. But, on the face of it, the victory has not been snatched by Mr. Bond.

Previously, it was thought that the takeover battle for BH South had ended when the major contestants, Conzinc Riotinto of Australia and Western Mining, had come to an understanding whereby the former would withdraw, leaving the field to the latter. Thereafter they would share the spoils.

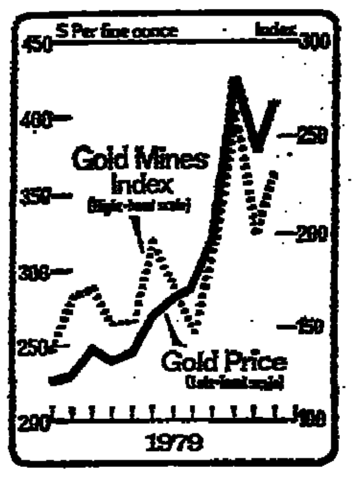
This, however, left open the attitude of the insurance office, National Mutual Life of Australia, which owns 34 per cent of BH South. Yesterday, Bond appeared on the scene with a cash offer of A$4 (202p) per share for the National Mutual holding.

This compared with Western Mining's standing offer to all holders of one of its shares plus 50 cents cash for each share of BH South, an offer which was worth about A$3.69 per BH South share.

Losing no time at all, Western Mining has raised its bid for the whole of BH South to 55 cents cash for each BH South share plus 11 Western Mining shares for every ten BH South. And National Mutual has said that it will accept this increased offer.

So the intervention of a maverick in the shape of Alan Bond looks to have sealed the fate of, a not unwilling, BH South. Whether this was by the design of Bond or whether his move was merely a shot in the dark, remains to be seen.

At all events, it has improved the lot of BH South holders. In London yesterday the shares jumped 18p to 190p while those of Western Mining and CRA hardened to 159p and 176p respectively.



A brisk two-way business was reported in South African gold shares yesterday. Demand was widespread, but its impact on share prices was offset by profit-taking which followed Wednesday's sharp gains. The gold mines index was 2.1 up at 231 while the price of bullion closed with a small loss on balance of 50 cents at $409 per ounce after having been up to $411.70.

Agnico-Eagle profits grow

CLIMBING gold prices continue to boost earnings of Canada's guld and silver-producing Agnico-Eagle Mines, justifying the faith of the chairman, Mr. Paul Penna, which has been put to severe tests at times since 1966 when he acquired the Eagle gold property in Quebec.

The company's earnings from Eagle are now supplemented to a small degree by a, so far, modest silver operation at the old Cobalt Camp in north-east Ontario. Third quarter net profits of the group have advanced to C$2.1m (£823,000), making a total for the past nine months of C$4.6m, equal to 33 cents per share, compared with C$1.9m in the same period of 1978.

During the past nine months the gold division milled 265,200 tons of ore for 46,446 ounces gold and 11,823 ounces silver. Average gold costs equalled U.S.$133.52 per ounce, but were lower in the third quarter. The average gold price received so far this year amounts to U.S.$307 per ounce.

During the current quarter the gold price has been running at around U.S.$390 and so a fresh increase in earnings is in prospect. Agnico-Eagle paid a maiden dividend of 10 cents (U.S.) last year. So far, there is no set dividend policy, but a higher payment can be expected to be declared in the early part of 1980. The shares were C$7.75, or around 300p, in London yesterday.

ROUND-UP

Nchanga Consolidated Copper, the Zambian producer, continued its recovery in the September quarter with net profits of K16.6m (£10.3m). This brought earnings for the first half of the current year to K29m compared with a loss in the six months to September, 1978, of K15.7m.

* * *

Les Mines Gallen, a Noranda-Macdonald Mines joint venture in north west Quebec, is to spend C$5.5m (£2.15m) to prepare a property for opencast production. Ore production of 1,000-1,500 tons a day will be trucked to a Noranda plant to produce zinc concentrate and a low grade copper-precious metals concentrate.

* * *

Amax's takeover of Rosario Resources has been definitively agreed, the companies announced in New York. The takeover is being achieved by a mixture of cash and shares.

* * *

Platinum demand has exceeded supply throughout 1979, Rustenburg Platinum, the major South African producer, said in its annual report. Stocks held by producers and consumers are believed to be at their lowest level for some years. There was a slightly lower level of demand from Japan, but U.S. demand was particularly strong, the report said.

London listing possible for Sunshine

SUNSHINE MINING, the major U.S. silver producer from a mine in Idaho, is investigating the possibility of a London listing, Mr. Michael Boswell, the president, said in London yesterday.

The investigation is taking place against the background of increasing profitability. The company, which is seeking to shed its industrial subsidiaries to concentrate on mining, expects net profits this year of about $12m (£5.5m) this year against $3.19m in 1978.

Profits could have gone as high as $15m had it not been for the demands of a $24m development programme which is being financed from cash flow, Mr. Boswell explained. But production has been lower this year because of shaft sinking and rockburst problems.

Sunshine is aiming to raise production capacity by 50 per cent between now and 1982. This excludes the possibility of a new mine development in Nevada, where technical studies are being completed.

The expansion programme is being undertaken by a new management team and follows the resolution of a takeover dispute with Hunt International Resources, which leaves Sunshine independent. The company is anxious to acquire new silver properties and could finance purchases by raising loans for which repayment would be in silver bullion.

Thwaites jumps 30% midway

A JUMP of 30 per cent to £1.68m in profit, before tax, is reported by Daniel Thwaites and Co., the Blackburn brewer, for the six months ended September 30, 1979.

The directors point out, however, that a second-half result equivalent to that achieved in 1978-79 should not be expected, as costs are now "increasing dramatically."

Turnover in the half year showed a rise from £11.87m to £13.76m. After tax of £1.09m (£0.85m), earnings per £1 share are stated to be up from 15.9p to 20.7p.

An unchanged interim dividend of 0.8p is declared but last year's payment included a 0.0546p adjustment in respect of the previous year's final. The dividend is payable on January 7. Thwaites is an unquoted public company.

Dispute hits Hunt and Moscrop

THE ENGINEERING strike would seriously affect first-half figures of Hunt and Moscrop (Middleton), machinery manufacturer, warned Mr. Edward Hunt, the chairman, at the annual meeting.

But, after allowing for a period to get back to normal, things had picked up from the beginning of November so that general productivity throughout the company was back to its former levels, members were told.

The coming year, he said would be one of relative consolidation and in which the company would reset its efficiency levels and objectives.

No further reduction in overall profitability was seen but rather a slight improvement in margins, especially in the second half.

Programmes were being introduced to tighten up the financial control of the company and for the first time in some years capital expenditure would be relatively modest. Incoming orders for specialist products and export business was holding up to reasonable levels, the chairman added.

G. R. DAWES DISTRIBUTION

G. R. Dawes Holdings is making a fourth distribution of 5p per share on December 17. This brings the total to £1.65 per share.

The completion of the company's winding up now depends upon the sale of property interests and agreement of group companies tax liabilities.

BANK RETURN

	Wednesday Nov. 28 1979	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	23,525,214	+ 1,199,570
Special Deposits	805,470,000	—
Bankers Deposits	589,881,449	+ 1,029,120
Reserves & other Accounts	673,081,806	— 6,569,088
	2,106,511,469	— 4,340,598
ASSETS		
Government Securities	1,640,782,324	+ 44,249,918
Advances & Other Accounts	149,975,356	— 48,418,586
Premises Equipment & Other Secs.	310,278,992	— 1,672,782
Notes	5,275,921	+ 1,512,172
Coin	198,877	— 11,320
	2,106,511,469	— 4,340,598
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	9,775,000,000	+ 100,000,000
In Circulation	9,769,724,079	+ 98,487,828
In Banking Department	5,275,921	+ 1,512,172
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	8,589,062,763	+ 119,826,840
Other Securities	1,174,992,137	— 19,826,840
	9,775,000,000	+ 100,000,000

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	April Vol.	April Last	July Vol.	July Last	Stock
ABN C	F.350	—	—	1	0.60	—	—	F.318.50
AKZ C	F.25	1	1.90	10	2.80	20	4	F.25.30
AKZ C	F.27.50	65	0.60	11	1.70	7	2.20	"
AKZ C	F.30	30	0.20	6	0.80	40	1.10	"
AKZ P	F.27.50	10	2	1	1.90	—	—	"
ARB C	F.70	—	—	6	1.30	—	—	F.66.90
BQ C	F.220	10	11	—	—	—	—	F.229.60
CSF C	F.440	1	25	—	—	—	—	F.449
HO C	F.25	—	—	4	1.20	—	—	F.22.80
IBM C	$65	7	$3\frac{1}{2}$	—	—	—	—	$65\frac{7}{8}$
IBM C	$70	20	$1\frac{1}{4}$	2	$3\frac{1}{4}$	—	—	"
IBM C	$75	—	—	15	$1\frac{1}{2}$	—	—	"
KLM C	F.70	10	6.30	—	—	—	—	F.75.50
KLM C	F.80	13	2.50	27	4.40	10	5.50	"
KLM C	F.90	10	0.50	30	1.60	5	3	"
KLM P	F.70	46	1.40	13	3.60	—	—	"
KLM P	F.80	20	5.50	4	6.80	—	—	"
KLM P	F.90	4	14.50	—	—	—	—	"
PET C	Fr.5500	4	400	1	600	—	—	Fr.5520
PET C	Fr.6000	6	150	—	—	10	400	"
PHI C	F.22.50	25	0.30	228	0.90	8	1.20	F.21.30
PHI C	F.25	10	0.10	—	—	25	0.70	"
PRD C	$25	—	—	2	$3\frac{3}{4}$	—	—	$26\frac{7}{8}$
PRD C	$30	10	$\frac{1}{2}$	—	—	—	—	"
PSA C	F.260	—	—	1	16	—	—	F.256
PSA C	F.300	—	—	2	4	—	—	"
RD C	F.145	3	10.50	—	—	—	—	F.152
RD C	F.150	74	6	—	—	—	—	"
RD C	F.160	95	2.10	7	5.10	—	—	"
RD P	F.145	6	1.60	—	—	—	—	"
RD P	F.150	3	3.30	32	4.80	—	—	"
RD P	F.160	3	8	35	9	—	—	"
UNI C	F.115	10	2.20	—	—	—	—	F.115.50
UNI C	F.120	5	1.20	—	—	3	4.30	"
		Feb.		May		Aug.		
BA C	$45	4	$3\frac{3}{4}$	—	—	—	—	$45\frac{1}{4}$
BA C	$50	2	$1\frac{1}{8}$	10	$3\frac{1}{8}$	—	—	"
SLB C	$90	10	$10\frac{1}{4}$	—	—	—	—	$95\frac{3}{4}$
SLB C	$100	13	$4\frac{3}{4}$	1	8	—	—	"

TOTAL VOLUME IN CONTRACTS 1108

C=Call P=Put

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UNITED REAL PROPERTY TRUST LIMITED

Extract from the Report and Accounts for the year ended 5th April, 1979 presented by Mr. Leonard Sainer

	1979 £	1978 £
RENTAL AND SERVICE INCOME	2,436,188	2,531,254
NET REVENUE BEFORE TAXATION	1,510,882	1,604,737
DIVIDENDS	720,000	675,000
REVENUE BALANCE CARRIED FORWARD	2,583,648	2,526,544

FINAL DIVIDEND of 19.0% together with interim of 5.0% totals 24.0% (1978—22.5%)

BASE LENDING RATES

ABN Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Julian S. Hodge	18 %
A P Bank Ltd.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	14½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	London Mercantile	17 %
Bank of Cyprus	17 %	Edward Manson & Co.	18 %
Bank of N.S.W.	17 %	Midland Bank	17 %
Banque Belge Ltd.	17 %	■ Samuel Montagu	17 %
Banque du Rhone et de la Tamise S.A.	17½%	■ Morgan Grenfell	17 %
Barclays Bank	17 %	National Westminster	17 %
Bremar Holdings Ltd.	18 %	Norwich General Trust	17 %
Brit. Bank of Mid. East	17 %	P. S. Refson & Co.	17 %
■ Brown Shipley	17 %	Rossminster	17 %
Canada Perm't Trust	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Cayzer Ltd.	17 %	Schlesinger Limited	17 %
Cedar Holdings	17 %	E. S. Schwab	17 %
■ Charterhouse Japhet	17 %	Security Trust Co. Ltd.	18 %
Choulartons	17 %	Shenley Trust	19 %
C. E. Coates	17 %	Standard Chartered	17 %
Consolidated Credits	17 %	Trade Dev. Bank	17 %
Co-operative Bank	*17 %	Trustee Savings Bank	17 %
Corinthian Secs.	17 %	Twentieth Century Bk.	18 %
The Cyprus Popular Bk.	17 %	United Bank of Kuwait	17 %
Duncan Lawrie	17 %	Whiteaway Laidlaw	17½%
Eagil Trust	17 %	Williams & Glyn's	17 %
E. T. Trust Limited	17 %	Yorkshire Bank	17 %
First Nat. Fin. Corp.	15½%		
First Nat. Secs. Ltd.	15½%		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

BIDS AND DEALS

LASMO succeeds in bid for Oil Exploration

BY CHRISTINE MOIR

THE MERGER between London and Scottish Marine Oil and Oil Exploration, two of the smaller independent companies in the North Sea, has succeeded despite the brief appearance and then disappearance of a third party.

Yesterday LASMO announced that its offer for Oilex had gone unconditional because acceptances had been received from holders of 74 per cent of the equity.

Oilex's Board and certain major shareholders owning a total of 40.4 per cent of the equity had irrevocably committed themselves to the offer from the beginning. Now Premier Consolidated Oilfields has translated its initial "enthusiastic support" into acceptance from its 8.96 per cent.

In addition all but three of the major shareholders—those owning more than 1 per cent of the shares—are believed to have accepted.

The merger has been recommended by both boards for its industrial logic. Oilex has some revenue from gas reserves but its main asset is a share in the triple Toni, Tiffany and Thelma oilfields in the North Sea which have yet to be finally investigated but show considerable potential.

LASMO is looking for a way of reinvesting the revenue it is now obtaining from its stake in the Ninian field which is already under production.

Although LASMO's offer is for shares, a separate cash offer to a maximum of half the new LASMO shares to be issued, was underwritten by Morgan Grenfell, LASMO's advising bank.

The cash offer has only been taken up for 267 LASMO shares. It is no longer open. The share offer will remain open. Dealings in the new LASMO shares will begin today.

SUN LIFE/NORTH BRITISH PROPERTIES

Commenting on the growing stake held by Sun Life Assurance Society, 24.07 per cent at the most recent notification, the board of North British Properties revealed yesterday that a meeting with the insurance group had taken place earlier this year to "clear the air." The stake, NBP was told, had been taken as an investment.

Since the reconstruction on May 18 last, the stake held by the property group's Board, including non-beneficial interests, has fallen from 20.72 per cent to fractionally under 15 per cent.

The shares at 123p, are estimated to be backed by assets of between 180p-190p per share. The accounts for the year to July 31 show net worth of £17.45m, or 134.6p per share.

A profit of £390,000 has been taken on the development in progress at the Gosforth Centre, which is forward sold to two institutions. The development programme over the next two years comprises some 330,000 sq ft with an estimated value, when fully completed and let, in excess of £17m.

The 100,000 sq ft development at Kirkcaldy is expected to show a £1m surplus over cost when taken into the investment portfolio. Outside estimates of the upturn in rental levels at the Regent Centre place the increase *in net assets at around 35p per* share.

Averys now advises acceptance

Faced with a fait accompli, the directors of the Averys weighing machine company are now advising shareholders to accept the £98m offer from General Electric Company. The offer remains open until at least December 7.

GEC finally acquired control of Averys at the end of last week, with acceptances for its increased terms of 265p a share totalling just under 56 per cent.

Averys' directors have decided to accept the bid for their own *holdings of more than 57,200* shares, and Mr. Richard Hale, the chairman, told shareholders that "advantage now lies in accepting GEC's offer rather than remaining a minority shareholder in a subsidiary of GEC."

ANTHONY GIBBS SELLS STAKE IN DUBAI MERCHANT BANK

Antony Gibbs is selling its one-tenth stake in Wardley Middle East, a merchant bank based in Dubai, to the Hongkong and Shanghai Banking Corporation at par for around £254,000.

Wardley Middle East will thus become a full subsidiary of Hongkong Bank, which also owns 40 per cent of Antony Gibbs, a UK banking and investment advisory concern.

Antony Gibbs will make a profit of around £35,000 on the deal through exchange gains and intends to use the money to develop its UK banking business.

The original Gibbs stake in WDME was 20 per cent, bought at par in 1975, with Hongkong Bank subscribing for the rest. Two years later WDME raised its capital by a rights issue, but Gibbs did not take part and its interest was diluted to 10 per cent.

Gibbs' decision to sell its remaining holding comes as Wardley Middle East is about to raise its capital again through a one-for-one rights issue. The company said its board "continues to judge it inappropriate for the group to increase its direct investment in WDME."

Shareholders of Gibbs, other than the Hongkong Bank—which has said it will stand aside —*will be able to vote on the proposed sale at an EGM on Decem*ber 19.

Brooke Bond in £714,000 deal

BY JOHN MOORE

Brooke Bond Liebig, the tea and food group, is to acquire the 75 per cent shareholding which it does not already own in Lake and Cruickshank, the fine chemical manufacturer, in a deal worth £714,000.

Brooke Bond is offering 175p in cash for 408,000 ordinary shares of Lake and Cruickshank. Alternatively shareholders may accept the equivalent value in ordinary shares of Brooke Bond or a combination of shares and *cash up to a value of 175p per* share.

Brooke Bond already owns 136,000 ordinary shares of Lake and Cruickshank, some 25 per cent of the issued share capital. Its offer places a value of *£952,000 on the whole of Lake* and Cruickshank.

Lake and Cruickshank, which *operates from its factories in* Berkhamstead, Buckhaven and in the Republic of reland, is *engaged in the manufacture of* fine chemicals, principally quinine, quinidine, ephedrine and psuedo ephedrine.

Brooke Bond said yesterday that it had no present intention of making significant changes in the operations of Lake and Cruickshank.

SHARE STAKES

Black Arrow Group — Mr. P. J. Cush, director, disposed of 39,000 shares on November 13.

Hoover Limited — Hoover Company has acquired 100,000 shares, making holding 5,397,609 (70.65 per cent).

Cooper Industries — Brockhouse has acquired a further 250,000 shares and now holds 2,634,666 (8.52 per cent).

Laporte Industries Holdings —Kuwait Investment Office acquired on November 20 93,036 shares making total 3,093,036 (5.34 per cent).

E. Fogarty — Mr. C. R. W. Fleet, director, has reduced his beneficial holding to 310,071 shares (3.1 per cent).

FMC — NFU Development Trust have acquired a further 25,000 shares bringing its total holding to 7,436,373.

Rosehaugh Company — Mr. D. A. Taglight, director, disposed of 100,000 shares.

Conder International — Trustees of the Conder Staff *Trusts have disposed of 135,646* shares and now hold 1,445,154 (17.54 per cent). They were sold *at 90p to employees of the Con*der group on November 22.

Hall Brothers Steamship Company — Shirlstar Container Transport bought 1,000 shares last week making holding 10.466 per cent.

Western Motor Holdings — The Rev. Michael David Mumford acquired 59,454 shares and now holds 10.61 per cent.

STENHOUSE STAKE IN ZURICH BROKER

A. R. Stenhouse Reed Shaw and Partners, of Glasgow, has acquired a 40 per cent stake in Caviezel AG and Reinsurance Underwriting Agency, both of Zurich. Vaviezel is an insurance and reinsurance broker, while Reinsurance Underwriting operates in Switzerland on behalf of foreign insurance companies.

ONLY 18% ACCEPT NEWMAN-TONKS

Only 18.1 per cent of shareholders of Newman-Tonks accepted new shares offered by way of rights last month, the company announced yesterday.

The metal hardwear manufacturer had issued 3.75m new shares at 57p per share on the basis of one-for-four. Shareholders took up 0.68m shares.

The issue was underwritten.

Halftime loss for Johnson and Barnes

Turnover of Johnson and Barnes rose from £636,364 to £1.05m for the first half of 1979, but the clothing manufacturer *suffered a turnround from a* profit of £32,836 to a net loss of £71,558. Tax took £813, against £850.

The directors say poor retail sales have adversely affected the company's autumn sales and prices. Although it is too early to be specific, they say the full year's prospects are not encouraging.

For the previous 18 months period, the company incurred a *net deficit of £18,137.* No dividends have been paid since 1975.

Glasgow Pavilion revival plan

BY ANDREW FISHER

GLASGOW PAVILION, the loss-making theatre concern, is restructuring its capital to bring in a new group of shareholders who aim to revive the company's fortunes.

The ordinary shares are to be divided into five 10p nominal units and the authorised share capital increased by £50,000 to £150,000.

This will be followed by the issue of 360,000 shares at 29p each to a consortium which will then hold 29.97 per cent, just below the level at which a bid would have to be made under the Takeover Code.

This move will raise £98,000 after expenses, the members of the consortium being Mr. Michael Abbott, chairman of the Drake and Scull engineering group, Mr. Stephen Komlosy, a director of the Laurence Parnes Organisation, which runs the Cambridge Theatre in London, and Mr. Tom Malcolm, a U.S. *business consultant.*

Shareholders will be able to vote on the proposals on December 21. The consortium aims to ensure the continuance of the company's theatre — the only unsubsidised one in Glasgow — and to expand its operations into other "leisure-related activities."

The Board will invite Mr. Abbott to become chairman, with Mr. M. Dumfries Ballantine *intending to step down.* In its last financial year to October 31, 1979, the company lost £9,000, a considerable improvement on the £17,000 deficit of the previous year and the *£68,000 lost in 1976-77.*

JEWELBOND/

Hambros Bank announces that its offer on behalf of Jewelbond to acquire the equity of Estates and Agency Holdings not already owned by associates of Jewelbond has been accepted by holders of 8,200 ordinary shares (0.2 per cent). The offer is now closed.

Associates of Jewelbond, namely Mr. Rosefield and his *associates and family interests* of Mr. Lewis and Mr. Davis, owned respectively 1,931,118 and 1,344,710 ordinary of E. and B. prior to the making of the offer.

No shares of E. and A. were acquired or agreed to be acquired prior to, or during, the offer period by Jewelbond and its associates.

E. J. RILEY

E. J. Riley has entered into a conditional contract to acquire a private company, John Bennett (Billiards and Sports) for £95,000.

An amount of £71,250 is payable in cash, the balance of the consideration being satisfied by the issue of 41,000 Riley ordinary to the managing director of Bennett, Mr. B. Donkin, who is one of Bennett's three shareholders.

NORTH SEA

North Sea Assets is subdividing its ordinary £1 shares into ones of 50p. Also proposed is a scrip issue of 10m ordinary *50p shares on the basis of 10 for each £1 share held on November* 30.

Engineering strike leaves 600 Group £2m lower

AS A result of the engineering dispute, pre-tax profits of the 600 Group fell by more than £2m at the interim stage, while the output of many of its manufacturing plants was reduced to less than 50 per cent of the previous level.

Although sales were held at £101m, profits before tax dropped from £5.61m to £3.57m for the 28 weeks ended October 13, 1979.

The group, which normally makes a large part of its first-half profits in the second quarter, is engaged in machine tool manufacturing, engineering products and services, materials handling and metal recovery.

Despite having only got back to normal working in the last week of the interim period, however, the directors say the group has made a rapid recovery and second-half profits are expected to be in line with last year.

In the last full year, pre-tax profits reached a record £11.9m, of which £6.3m accrued in the second six months.

The directors report that orders on hand for machine tools, both home and export, are good and overseas companies continue to do well.

Crane manufacturing operations are suffering from the world-wide lack of orders being placed, but demand on the scrap company is strong, although mainly from overseas.

Including a tax credit of £2.64m (£2.76m charge) earnings per 25p share increased from 5.9p to 13p. The credit arose as a result of stock relief of £4.29m which became permanent in the period—before this, earnings would have been 4p per share. The net interim dividend is raised from 2.0354p to 2.34p—the previous total was 4.6694p.

The pre-tax result was struck after depreciation of £1.5m (£1.44m), and lower interest of £707,000 (£970,000), but included an associates contribution of £45,000 this time.

There was an exchange loss of £251,000 (£301,000).

● comment

600 Group is making it fairly clear what it expects to achieve this year and a maintained level of second half profits indicates a total approaching £9.85m pre-tax. The machine tool division, which contributed some two-thirds of last year's profits, has been performing well and orders and margins have been maintained. But, despite a 4p rise to 97p, the rating is still very defensive. The prospective fully taxed p/e is 5.2 and the yield on a 10 per cent dividend increase would be 13.4 per cent. That, in part, is explained by the continued weakness of the engineering products and services division, in which Jones Crane is still just keeping its head above water. But scrap metal prices have tumbled by around £20 per ton to £40-£50 since the beginning of the year and, although overseas demand is surprisingly strong, profits from iron and steel products must be under severe pressure. Scrap prices and construction equipment demand are by no means as important as strength of the machine tool market but their current weakness should continue to weigh heavily on the share price.

Long & Hambly warning on half year

Because of the engineers' strike and its effects, profits of Long and Hambly for the first half of the current year will be below the £280,000 achieved in the same period last year.

As regards the second half the Earl of Dartmouth, the chairman, says that although customers' schedules of future requirements appear to be encouraging.

In the year ended July 31, 1979, group profit, before tax, amounted to £703,226 compared with £801,949.

Asset backing for the ordinary 10p shares is shown at 15.7p (12.93p).

The chairman points out that a new valuation has been made of the freehold factory properties at High Wycombe and Northampton on a open market basis. For High Wycombe the value has increased from £575,000 to £750,000 and for Northampton from £950,000 to £1.3m. Taking the new valuations into account, but without providing for tax, the asset backing for each share is 22.7p.

Hargreaves moves ahead to £2.65m at interim stage

FOLLOWING last July's report that the current year at Hargreaves Group started well, the industrial holding company ended the six months to September 30, 1979, with pre-tax profits ahead from £2.46m to £2.65m, on increased turnover of £91.63m, compared with £73.34m.

For the year ended March 31, 1979, taxable profits were marginally higher at £3.47m (£3.42m).

Stated half-yearly earnings per 20p share are shown as 7.2p, against 8.2p adjusted for the June rights issue. The net interim dividend is stepped up from 1.45p to 1.6p—payments totalling not less than 3.951p (3.592p) net have been forecast for the current year.

The pre-tax result was struck after depreciation of £1.56m (£1.3m) and interest of £376,000 (£310,000), and included associates' contributions down from £619,000 to £529,000.

With SSAP 15 applied, tax for the period took £440,000 (£350,000) and attributable profits emerged up slightly at £2.21m, against £2.19m.

● comment

It has been a half-year of ups and downs for Hargreaves. Soaring oil prices and the consequent demand for coal have almost doubled profits on the fuel side, quarrying has recovered strongly from the setback late last year and is carrying heavy order-books, and the transport/shipping division has added £150,000 to profits supported by a flourishing trade in bulk liquids. Set against this, fertilisers are down owing to rising raw material costs and the inclusion of a period hit by weather and strikes. Plant hire business came under pressure in the north-east. The second half should see some balancing out, with fuels showing more modest growth and fertilisers recovering slightly. Some of the development losses on the Saudi venture will also be recouped. The recent rights issue will keep borrowings well down, despite a heavy capital expenditure programme, so profits of £4.5m look attainable—the second half last year was exceptionally depressed. At 52p, the shares trade on a prospective fully-taxed p/e of 8.2, in line with the unexciting but solid growth prospects. The yield is 11.2 per cent assuming fulfilment of forecasts made at the time of the rights issue.

Arthur Holden up 23% at halfway

WITH SALES showing a rise of 25.5 per cent to £10.86m in the half year ended September 30, 1979, Arthur Holden and Sons, reports a jump of 22.7 per cent to £1.27m in group profit, before tax.

The directors report that about half of the sales rise is attributable to increased volume with the remainder due to higher selling prices. The group makes lacquers coatings varnishes, adhesives, powder coatings and printing ink.

After providing for tax of £655,000 (£527,000), earnings per 25p share are stated at 8.8p, compared with 7.1p.

The interim dividend is raised from 1.5p to 2p—partly to reduce disparity—the total for 1978-79 was 4p paid from profits up from £1.67m to a record £1.82m.

Reporting on the profits in July the directors explained that progress had been made throughout the EEC in the group's traditional markets of protective coatings for food containers. In particular they said there was increased penetration of the growing market of cans for beer and soft drinks and of the large market for flexible packages used in the food industry.

The directors said that there had been an encouraging increase in the sale of surface coatings for new fields and further products were under development.

Arthur Holden and Sons, the parent company and the largest part of the group is to become the holding company from January 3.

The directors say that the object is to create an organisation that will better enable management to plan the growth of the group, control its resources and encourage the initiative and profitability of separate trading companies.

Arthur Holden and Sons will hold the shares in the companies of the group and the land and building assets situated in the UK. A new company, Holden Surface Coatings, has been formed to take over the existing manufacturing and trading activity in Birmingham of Arthur Holden and Sons.

Two other subsidiaries have been formed: Holden Overseas to hold shares in the present French subsidiary, Holden Europe and to pursue new overseas investment opportunities and Adderley Services, which will regulate inter-company services.

Upsurge at Cullen's Stores

Including capital profits ahead from £5,229 to £206,807, pre-tax profits of Cullen's Stores jumped from £75,776 to £350,422 in the six months to August 31, 1979.

The net interim dividend is held at 1p gross. Last year's total payment was 6.47761p from profits of £201,000.

Whitbread Inv. ahead halfway

PRE-TAX PROFIT of Whitbread Investment Company for the six months to September 30, 1979, increased from £1.5m to £1.9m. Tax was slightly higher at £599,457, against £527,708.

The interim dividend is raised 20 per cent from 1.63p to 1.98p, costing £832,731 (£693,985) last year's final was 2.9p.

APPOINTMENTS

New chairman at AMC

Dr. Gunther Sassmannshausen has ben elected chairman of AMALGAMATED METAL CORPORATION from January 1. Sir John Saunders, who has been chairman since May, 1977, has decided to reduce his City commitments and will retire from the Board on December 31.

Dr. Sassmannshausen is at present deputy chairman of AMC and chairman of the executive Board of Preussag AG, the parent company.

★

Mr. Edward Stanners has been appointed managing director of SALTS OF SALTAIRE, the largest worsted manufacturing unit in the Illingworth Morris Group. He will take up his post in February. Mr. Stanners joins from Lous Lepoutre, a division of Prouvost Masurel Group, said to be the largest wool processing concern in France.

★

Mr. Peter Howitt, has been appointed as Mr. Fred Turnbull's successor as PRESTO national operations director. He was previously responsible for Allied Suppliers property and development department.

★

The IDC GROUP, Stratford-upon-Avon, designers and constructors, has appointed Mr. E. Roberts and Mr. J. Brown as joint managing directors.

★

THE MANPOWER SERVICES COMMISSION has appointed Mr. Basil Haining as director of the MSC-sponsored Industrial Relations Training Resource Centre, from January 2. Based at the Ashridge Management College, Berkhamsted, the IRTRC was set up by the MSC in 1977. The Centre provides an information and advisory service to companies throughout the country on all aspects of industrial relations training. Mr. Haining, who is currently vice-president (corporate personnel) of the American Express Company, succeeds Mr. Sam Wright as IRTRC's director. Mr. Wright resigned the directorship to join the Board of BPC in September. Mr. Haining was director of the Food, Drink and Tobacco Industrial Training Board for the first four years of its operation. Before joining American Express in 1974, he was head of industrial relations and subsequently director of the Independent Television Companies Association.

SPAIN November 29	%	+ or −
Asland	102	
Banco Bilbao	200	
Banco Central	210	+4
Banco Exterior	204	
Banco Hispano	200	
Banco Ind. Cat.	136	
Banco Madrid	185	
Banco Santander	212	+5
Banco Urquijo	204	
Banco Vizcaya	202	
Banco Zaragoza	195	
Dragados	100	
Espanola Zinc	60	
Fecsa	59	−0.5
Gal. Preciados	37	
Hidrola	63.5	−1.5
Iberduero	60.2	−0.3
Petroleos	113.5	−1.0
Petroliber	75	
Sogefisa	118	
Telefonica	58.7	−1.2
Union Elect.	63	−1.2

WESTERHAM PRESS has appointed Mr. Michael Brown to the Board, as the sales director. He previously worked with Williams Lea.

★

A. R. STENHOUSE REED SHAW AND PARTNERS has appointed Mr. H. P. Brookshaw an associate director. He will also be director in charge of special projects within the UK group of companies. Mr. Brookshaw has been a director of the group for the past 16 years and managing director of Stenhouse Reed Shaw London, for the last ten years.

★

Mr. J. N. C. James is to become a member of the committee of management of THE PENSION FUND PROPERTY UNIT TRIST (PRPUT). A senior vice-president of the Royal Institution of Chartered Surveyors, he is a trustee of the Grosvenor Estate.

★

Dr. S. R. Dennison, Mr. J. C. Croggon (U.S.) and Mr. G. R. W. Lovering have been appointed to the Board of ENGLISH CLAYS LOVERING OCHIN AND COMPANY, subsidiary of English China Clays.

★

Mr. Roger C. P. Brookhouse has been promoted to vice-president in charge of BANKERS TRUST COMPANY'S economics section in London. Before joining Bankers Trust Company in 1972, Mr. Brookhouse was a funds manager and securities analyst with Fielding Newson Smith and Company.

★

Mr. David Grenier, former chairman of stock brokers Capel-Cure Myers, is joining the partnership of SCOTT GOFF HANCOCK in the New Year. He plans to concentrate on developing the firms approach to investment strategy, and also on corporate business.

Mr. Grenier left Capel-Cure in June.

★

Mr. Wilfred John Fry has been appointed vice president international operations of SCHAEVITZ ENGINEERING, U.S., managing director of Electro Mechanisms Holdings and chairman of Schaevitz EM. Mr. Howard Schaevitz resigns as chairman of Schaevitz EM from January 1.

★

Mr. Michael N. J. Burmester has succeeded Mr. R. A. Churchward as NATIONAL WESTMINSTER BANK'S senior liaison officer to the Zurich affiliate Handelsbank N.W. Mr. Churchward is retiring.

★

Mr. D. J. Kavanagh has been appointed managing director, of the alloy castings division of STAVELEY INDUSTRIES.

★

Mr. John Horam has been appointed a director of COMMODITIES RESEARCH UNIT HOLDINGS.

★

Mr. Douglas W. Brotchie, who joined REDMAN HEENAN INTERNATIONAL in October, has been appointed group financial controller in succession to Mr. J. R. Knight who is taking-up an appointment overseas. For the past four years Mr. Brotchie has been financial controller of the Wilkinson Match Group of companies in South Africa following a two-and-a-half year period with a division of the General Motors Corporation in the same country.

★

Mr. W. G. Kneale has been appointed a director of THE ROYAL TRUST COMPANY OF CANADA (C.I.), St. Helier, Jersey.

★

FRY'S METALS, part of the Lead Industries Group, has appointed Mr. Allen D. Blower as director and manager of the bronze division.

★

Mr. A. D. Cameron has been appointed financial director, and Mr. R. G. Smith personnel director, and join the executive Board of RANSOMES SIMS AND JEFFERIES.

★

Professor David T. Llewellyn, 36, Professor of Money and Banking at the University of Loughborough, has been appointed consultant economist to sterling money broker BUTLER TILL from December 1.

★

Mr. Richard S. Maggio has been appointed vice president, general manager of the Young Spring & Wire Division (formerly operating as the Young Flex-o-lator Division), Gulf and Western Manufacturing Company, U.S.

★

Mr. Jan Hildreth, former director-general of the Institute of Directors, has been appointed a non-executive director of MINSTER TRUST.

★

Dr. Mary Townsend Kimpton has been elected a director of CHESSIE SYSTEM, INC. U.S. and its principal subsidiary, the Chesapeake and Ohio Railway Company.

★

Mr. John T. Schofield has resigned as a director of Tunnel Holdings as a result of his full-time appointment as president of STABLEX CORPORATION and of Stablex (Canada) (associate companies in the U.S. and Canada).

★

The SIMPSON LABEL COMPANY has appointed Mr. Donald Ferguson as company secretary. He joined the company in 1976 as financial accountant.

★

Mr. Gary Goodwin has been appointed managing director of SPENCER AND HALSTEAD, Ossett, West Yorkshire. Mr. Robin Millard has been made deputy managing director.

★

Mr. S. Oshima is to be appointed general manager of the Tokyo branch office of VICKERS DA COSTA, from March 1.

★

PHOENIX MINING AND FINANCE states that, following the closing of the offer by Mr. A. M. Milne and his associates for the issued share capital of the company, the former board has resigned and has been replaced by Mr. I. C. Elliot (chairman), Mr. W. F. O'Hara (managing), Mr. J. A. Wilkinson, Mr. A. M. Milne, Mr. R. Brooks, and Mr. H. F. Cooper.

★

Mr. David A. Thompson has been appointed president, XEROX LATIN AMERICA group, which includes all the countries in Central and South America, from January 1. He will be based in Greenwich, Connecticut, U.S. Mr. Thompson was previously a regional director for Rank Xerox, based in London.

★

Mr. T. M. Williamson, ANZ Bank's general manager—branch banking, will retire on January 21. Mr. R. T. Brunskill, at present assistant general manager—branch banking, will succeed Mr. Williamson. Mr. W. J. Bailey, formerly chief manager (international), London, will succeed Mr. Brunskill.

★

Mr. R. W. Devereux has been appointed director of reclamation for ALCOA in Europe. Mr. Devereux, who is based at the company's Knightsbridge headquarters, has held various commercial management appointments within Alcoa, most recently as managing director of its UK foil and foil container company.

Companies and Markets

CURRENCIES, MONEY and GOLD

Pound firm

STERLING WAS strong, while the dollar finished around its lowest level of the day in quiet foreign exchange trading yesterday. Rumours that the Swiss authorities may abolish negative interest rates pushed the U.S. currency down to a closing level of SwFr 1.6210, compared with SwFr 1.6360 on Wednesday, and the weakest finish since October 11.

The dollar also lost ground against the D-mark, ending the day at DM 1.7390, compared with DM 1.7465 previously. The Bundesbank did not intervene at the Frankfurt fixing, and there was no evidence of support for the dollar by European central banks during the day. In terms of the Japanese yen the dollar eased to Y248.90 from Y249, while the U.S. unit's trade weighted index, as calculated by the Bank of England, fell to 86.3 from 86.6.

Sterling's index, on Bank of England figures, rose to 69.6 from 69.3, after standing at 69.5 at noon and in early trading.

The pound opened at $2.1755-2.1765, and fell to $2.1735-2.1745, before improving to $2.1770-2.1780 at noon. In the afternoon sterling touched a high point of $2.1875-2.1885, and closed at $2.1825-2.1835, a rise of 70 points on the day.

FRANKFURT—The Bundesbank did not intervene when the dollar was fixed DM 1.7434 against the D-mark, compared with DM 1.7435 previously. Early trading was within a narrow range of DM 1.7420 to DM 1.7450, while the Press conference following the Bundesbank council meeting had no market impact since it dealt with money supply growth targets, rather than changes in credit policy. Sterling rose to DM 3.7960 from DM 3.7770 at the fixing, while members of the European Monetary System showed mixed changes, and the Swiss franc improved to DM 1.0669 from DM 1.0623. Amongst EMS currencies the Dutch guilder was strong, rising to DM 89.70 per 100 guilders from DM 89.53, and the Irish punt to DM 3.6860 from DM 3.6810. The French franc—the strongest member of the system—eased to DM 42.55 per 100 francs from DM 42.60. The Belgian franc—the weakest EMS currency—was little changed at DM 6.135 per 100 francs compared with DM 6.136.

MILAN—The dollar lost ground against the lira, and was fixed at L819.95 compared with L820.45 previously. Sterling rose to L1,785.70 from L1,776.90, and the Swiss franc to L501.75 from L499.78. EMS currencies showed mixed changes with the D-mark rising to L470.21, and the French franc to L200.20 from L200.14, while the Dutch guilder eased to L420.35 from L420.77, and the Danish krone to L157.395 from L158.08.

BRUSSELS—Members of the European Monetary System, showed mixed changes against the weakest member, the Belgian franc. The D-mark rose to BFr 16.3025 from BFr 16.2982½, and the Dutch guilder to BFr 14.615 from BFr 14.5015 following the increase in the Netherlands discount rate. The French franc eased to BFr 6.9362½ from BFr 6.9377½, and the Lira to BFr 3.4660 per 100 lira from BFr 3.4675. Outside the EMS the dollar fell to BFr 28.4150 from BFr 28.4450, while sterling rose to BFr 61.92 from BFr 61.6175.

TOKYO—The dollar eased to Y248.97½ from Y249.65 in moderate trading after the Bank of Japan sold about $100m to defend its currency. The U.S. unit opened at Y248.60.

THE POUND SPOT AND FORWARD

Nov. 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1735-2.1885	2.1825-2.1835	0.60-0.50c pm	3.02	1.47-1.37 pm	2.60
Canada	2.5450-2.5600	2.5535-2.5545	0.68-0.58c pm	2.96	1.90-1.80 pm	2.90
Nethlnd.	4.22-4.25	4.22¾-4.23¾	1¾-¾c pm	2.48	4-3 pm	3.31
Belgium	61.75-62.15	61.90-62.00	15-5c pm	1.94	32-22 pm	1.74
Denmark	11.29-11.36	11.32¾-11.33¾	5½-7½ore dis	−6.88	10½-12½ dis	−4.06
Ireland	1.0265-1.0325	1.0305-1.0315	0.04-0.14p dis	−1.05	0.20-0.30dis	−0.97
W. Ger.	3.78½-3.81½	3.79½-3.80½	2⅞-1⅞pf pm	7.50	7¼-6⅝ pm	7.24
Portugal	108.60-109.60	109.00-109.30	par-80c dis	−4.40	par-100 dis	−1.83
Spain	144.20-145.20	144.75-144.85	100-150c dis	−10.36	80-180 dis	−3.59
Italy	1,784-1,794	1,789-1,790	4-2 lire pm	2.01	3-1 pm	0.45
Norway	10.84½-10.90½	10.85-10.86	4-2ore pm	3.32	11¾-2¾ pm	2.67
France	8.90½-8.95	8.92¾-8.93¾	3¼-2¼c pm	3.70	6-5 pm	2.46
Sweden	9.10-9.16	9.13-9.14	2¾-¾ore pm	2.30	6¾-4¾ pm	2.52
Japan	540-547	542¾-543¾	4.20-3.80y pm	8.83	10.25-9.85 pm	7.40
Austria	27.27-27.45	27.32-27.37	22-12gro pm	7.46	60-50 pm	8.04
Switz.	3.53-3.57	3.53½-3.54½	3¾-2¾c pm	11.02	11½-10¾ pm	12.29

Belgian rate is for convertible francs. Financial franc 63.15-63.25.
Six-month forward dollar 2.52-2.42c pm, 12-month 4.75-4.65c pm.

THE DOLLAR SPOT AND FORWARD

Nov. 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1735-2.1885	2.1825-2.1835	0.60-0.50c pm	3.02	1.47-1.37 pm	2.60
Ireland†	2.1110-2.1160	2.1110-2.1160	1.05-0.75c pm	5.10	2.50-2.20 pm	4.44
Canada	1.1694-1.1711	1.1694-1.1697	0.02-0.05c dis	−0.36	0.07-0.04 pm	0.19
Nethlnd.	1.9360-1.9465	1.9360-1.9380	0.03c pm-0.07dis	−0.12	0.38-0.28 pm	0.68
Belgium	28.38-28.42	28.36½-28.38	2-3½c dis	−1.16	4-6 dis	−0.70
Denmark	5.1975-5.2035	5.1975-5.1990	3.35-3.85ore dis	−8.31	7.70-8.20dis	−6.12
W. Ger.	1.7380-1.7450	1.7385-1.7395	0.60-0.50pf pm	3.79	2.01-1.91 pm	4.51
Portugal	49.92-50.05	49.92-50.02	23-33c dis	−6.72	45-80 dis	−5.00
Spain	66.35-66.43	66.38-66.42	10-20c dis	−2.71	55-70 dis	−3.76
Italy	819.60-820.30	819.60-820.00	0.40-0.90 lire dis	−0.95	4.0-4.5 dis	−2.07
Norway	5.0005-5.0075	5.0005-5.0015	par-0.75ore dis	−0.90	1.40-0.65 pm	0.82
France	4.0870-4.0980	4.0890-4.0910	0.05c pm-0.10dis	−0.07	par-0.20 dis	−0.10
Sweden	4.1890-4.1905	4.1890-4.1900	0.10ore pm-0.10 dis	—	0.35-0.05 pm	0.14
Japan	248.75-249.50	248.85-248.95	1.10-0.95y pm	4.94	2.85-2.70 pm	4.46
Austria	12.52-12.56½	12.52-12.53	5.70-5.20gro pm	5.22	17.50-16.00pm	5.35
Switz.	1.6185-1.6375	1.6205-1.6215	1.20-1.10c pm	8.51	3.60-3.50 pm	8.76

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Nov. 29	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.601182	0.684520
U.S. $	12	1.30216	1.41796
Canadian $	14	1.52756	1.66153
Austria Sch.	3¾	16.3369	17.7849
Belgian F.	10	37.0530	40.3191
Danish K.	11	6.78035	7.36548
D Mark	6	2.27032	2.47387
Guilder	9½	2.53856	2.76421
French Fr.	9½	5.34211	5.81111
Lira	12	1068.42	1163.21
Yen	6¼	325.149	353.672
Norwgn. Kr.	7	6.51731	7.09595
Spanish Pts.	8	86.3710	94.0637
Swedish Kr.	9	5.45410	5.94792
Swiss Fr.	2	2.13654	2.32714

CURRENCY MOVEMENTS

Nov. 29	Bank of England Index	Morgan Guaranty changes %
Sterling	69.6	−36.5
U.S. dollar	86.3	−6.8
Canadian dollar	81.2	−16.9
Austrian schilling	158.3	+24.0
Belgian franc	115.4	+13.8
Danish kroner	115.1	+2.1
Deutsche mark	159.0	+47.4
Swiss franc	202.4	+81.5
Guilder	125.6	+19.7
French franc	102.5	−5.2
Lira	54.6	−50.1
Yen	113.8	+13.0

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Nov. 29	£	$		Note Rates
Argentina Peso	3413-3433	1565-1575	Austria	27.20-27.50
Australia Dollar	1.9920-1.9940	0.9135-0.9140	Belgium	63.00-63.55
Brazil Cruzeiro	69.35-70.35	31.75-32.20	Denmark	11.34-11.42
Finland Markka	8.17½-8.19	3.7445-3.7460	France	8.91-8.97
Greek Drachma	81.014-82.955	37.35-37.50	Germany	3.80-3.83
Hong Kong Dollar	10.87½-10.89½	4.9790-4.9820	Italy	1770-1815
Iran Rial	n/a	n/a	Japan	544-549
KuwaitDinar (KD)	0.599-0.609	0.2780-0.2781	Netherlands	4.23½-4.25½
Luxembourg Frc.	61.90-62.00	28.36-28.38	Norway	10.87-10.95
Malaysia Dollar	4.7650-4.7770	2.1870-2.1880	Portugal	108-114
New Zealand Dlr.	2.2375-2.2395	1.0260-1.0265	Spain	143½-152½
Saudi Arab. Riyal	7.27-7.37	3.3695-3.3705	Switzerland	3.55½-3.58½
Singapore Dollar	4.7570-4.7690	2.1825-2.1835	United States	2.18-2.19
Sth. African Rand	1.8085-1.8115	0.8285-0.8290	Yugoslavia	46½-46¾

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU November 29	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.8456	40.3663	+1.31	+1.31	±1.53
Danish Krone	7.36594	7.39286	+0.37	+0.37	±1.635
German D-Mark	2.48557	2.47646	−0.37	−0.37	±1.125
French Franc	5.85522	5.82039	−0.59	−0.59	±1.3575
Dutch Guilder	2.74748	2.75956	+0.44	+0.44	±1.515
Irish Punt	0.669141	0.672255	+0.47	+0.47	±1.665
Italian Lira	1159.42	1164.79	+0.46	+0.46	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Nov. 29	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.183	3.800	543.3	8.928	3.540	4.233	1790.	2.554	61.95
U.S. Dollar	0.458	1.	1.741	248.9	4.090	1.622	1.939	819.7	1.170	28.38
Deutschemark	0.263	0.574	1.	143.0	2.349	0.932	1.114	470.9	0.672	16.30
Japanese Yen 1,000	1.841	4.018	6.995	1000.	16.43	6.516	7.791	3294.	4.701	114.0
French Franc 10	1.120	2.445	4.257	608.5	10.	3.965	4.741	2004.	2.861	69.39
Swiss Franc	0.282	0.617	1.073	153.5	2.522	1.	1.196	505.6	0.721	17.50
Dutch Guilder	0.236	0.516	0.898	128.4	2.109	0.836	1.	422.8	0.603	14.64
Italian Lira 1,000	0.559	1.220	2.123	303.6	4.989	1.978	2.365	1000.	1.427	34.62
Canadian Dollar	0.392	0.855	1.488	212.7	3.495	1.386	1.657	700.7	1.	24.26
Belgian Franc 100	1.614	3.524	6.134	876.9	14.41	5.714	6.832	2889.	4.123	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 13.40-13.50 per cent; three months 13.65-13.75 per cent; six months 13.65-13.75 per cent; one year 12.65-12.75 per cent.

Nov. 29	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	n/a	11⅞-12⅛	12½-13½	13¼-13½	½-¾	8-8¼	11⅞-12⅛	9-11	—	3⅛-7⅛
7 days' notice	16-16⅜	12-12¼	12½-13½	13⅜-13⅝	¾-1	8⅛-8⅜	12¼-12½	12-14	12⅛-12¼	7⅛-8¼
Month	16½-16¾	13¼-13½	12¾-13⅛	13⅝-14⅛	4⅜-4½	9⅛-9¼	13-13¼	13⅛-14⅛	13⅛-13¼	8⅛-9⅛
Three months	16⅝-16⅞	13⅜-13⅝	13-13⅜	13⅜-13⅞	4½-4⅝	8⅞-9	13⅝-13⅞	15½-16½	13⅝-13¾	8¾-9⅛
Six months	16⅛-16⅜	13⅝-13⅞	13-13⅜	12¼-12¾	4⅝-4¾	8⅞-9	13⅝-13⅞	16-17	13½-13⅝	8¼-8½
One year	15-15¼	12⅜-12⅝	12⅛-12½	10⅞-11⅜	4½-4⅝	8⅝-8¾	13⅝-13⅞	15¾-16¾	12⁷⁄₁₆-12⁹⁄₁₆	7⅛-7⅜

Long-term Eurodollar two years 12⅝-12⅞ per cent; three years 11⅞-12⅛ per cent; four years 11¾-12 per cent; five years 11⅝-11⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Germany: no change

The Bundesbank left its discount rate and other key lending rates unchanged after yesterday's regular fortnightly council meeting. The decision by the authorities to hold a Press conference after the meeting was taken by the market as indicating some change in credit policies, although it seemed unlikely that the discount rate would be increased, especially after October's encouraging money supply figures. As it was the authorities announced a revised growth target for its money stock for 1980 of 5 per cent to 8 per cent.

Call money fell sharply to 7.90-8.10 per cent from 8.40-8.50 per cent and one-month interbank money was down at 8.65-8.75 per cent compared with 8.85-8.95 per cent on Wednesday. The three-month rate eased to 9.55-9.65 per cent from 9.60-9.70 per cent and six-month money was quoted at 9.15-9.20 per cent against 9.10-9.20 per cent. 12-month money fell to 8.65-8.75 per cent from 8.70-8.80 per cent.

NEW YORK—Treasury bill rates opened sharply higher yesterday with 13-week bills at 11.42 per cent against 11.32 per cent on Wednesday and 26-week bills at 11.40 per cent against 11.26 per cent. Demand for bills appeared to be lacking in the face of large amounts of paper on offer. Federal funds were trading at 12¾ per cent but rose slightly to 13 per cent later on.

AMSTERDAM—The official Dutch call money rate was increased yesterday from 9.25 per cent to 10.25 per cent bringing it back into line after Tuesday's 1 per cent increase in the bank rate, and other key rates. In the interbank market call money was trading at 14 per cent compared with 13 per cent previously. In later trading call money was quoted between 14 and 18 per cent.

Period rates were also firmer, with one-month money at 14-15 per cent compared with 13-13½ per cent on Wednesday and three-month money at 14½-15½ per cent against 13½-14½ per cent. Six-month funds were higher at 12½-13 per cent against 12-12½ per cent.

PARIS—Call money was unchanged at 11⅞ per cent while longer term rates showed very little movement, with one-month money at 12⅛-12⅜ per cent and three and six-month money at 12¾-12⅞ per cent.

GOLD

Volatile trading

Gold fell $¼ to close at $408-$410 in very active trading in the London bullion market yesterday. Business was volatile and nervous, with the metal opening at $406-408, and rising sharply to $410-412 around noon, encouraged by the continued rise in the value of silver. At 3 pm gold fell sharply to $405-407, but rose again to $413-414 when New York opened.

In Paris the 12½ kilo gold bar was fixed at FFr 55,700 per kilo ($422.93 per ounce) in the morning, compared with FFr 55,100 ($417.74) previously.

In Frankfurt the 12½ kilo bar was fixed at DM 22,970 per kilo ($409.69 per ounce) compared with DM 22,825 ($407.48) previously.

	November 29		November 28	
Gold Bullion (fine ounce)				
Close	$408-410	(£187-188)	$408¾-410½	(£187¾-188¼)
Opening	$406-408	(£186½-187⅛)	$397-398	(£183½-184)
Morning fixing	$410.90	(£188.703)	$406.50	(£187.156)
Afternoon fixing	$411.70	(£188.421)	$411.20	(£189.624)
Gold Coins				
Krugerrand	$422-424	(£193¼-194¼)	$431-432	(£194-198)
Mapleleaf	$425-427		$431-435	(£194-197)
New Sovereigns	$106-108	(£48½-49½)	$104½-105½	(£48-48½)
King Sovs	$114-116	(£52-54)	$113-114	(£52-53)
Victoria Sovs	$115½-117	(£53-55)	$114-116	(£53½-54)
French 20s	FFr420-425	(£FF167-169)	FFr420-425	(£FF167-169)
50 pesos Mexico	$508-511		$509-511	
100 Cor. Austria	$397-400		$395-397½	
$20 Eagles	$500-510		$506-510	
$10 Eagles	$256-260		$256-260	
$5 Eagles	$230-250		$230-250	

UK MONEY MARKET

Full supply

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day to day credit was in good supply in the London money market yesterday, and the authorities mopped up the surplus by selling a small amount of Treasury bills, all direct to the discount houses. The market was faced with a small net take up of Treasury bills, but this was outweighed by a moderate excess of Government disbursements over revenue transfers to the Exchequer as well as banks bringing forward balances some way above target. Discount houses were paying 15-15¼ per cent for secured call loans at the start and closing balances were taken at 14-14¾ per cent.

In the interbank market overnight loans opened at 15½-15⅝ per cent and eased on the forecast to 14¼-14¾ per cent before coming back to 15-15⅛ per cent. By mid-afternoon rates were commanding around 15 per cent, but a surplus of funds saw late balances taken as cheaply as 3 per cent.

Rates in the table below are nominal in some cases.

MONEY RATES

NEW YORK	
Prime Rate	15¼-15¾
Fed Funds	12.625
Treasury Bills (13-week)	11.42
Treasury Bills (26-week)	11.40
GERMANY	
Discount Rate	6
Overnight Rate	8.0
One month	8.70
Three months	9.60
Six months	9.175
FRANCE	
Discount Rate	9.5
Overnight Rate	11.875
One month	12.1875
Three months	12.4375
Six months	12.4375
JAPAN	
Discount Rate	6.25
Call (Unconditional)	7.75
Bills Discount (three-month)	8.4375

LONDON MONEY RATES

Nov. 29 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ●	Eligible Bank Bills ●	Fine Trade Bills ●
Overnight	—	3-15⅞	—	—	—	15¼	14-15½	—	—	—
2 days notice	—	—	16¼-16½	—	—	—	—	—	—	—
7 days or 7 days notice	—	15⅝-15⅞	16½-16⅞	—	16¾	16⅛	15⅝-15⅞	—	—	—
One month	16¾-16⁹⁄₁₆	16⅛-16⅞	16¾	18¼-17¾	17	16⅞	16⅛-16⅜	15⅞-15⅞	16⅞-16⅞	17¼
Two months	16¾-16⅝	16⅞-16⅞	—	18-17½	17	—	16½	16-16⅛	16¾-16⅞	17¼
Three months	16⅝-16⅝	16⅝-16¾	16¾-16⅞	17⅝-16⅞	17	17¼	16½	16¹⁄₁₆-16⅛	16⅝-16⅞	17
Six months	16⅛-16⅜	16⅜-16⅜	16⅝-16⅛	16¾-16⅜	16⅞	—	—	—	15⅝	16¼
Nine months	16½-16⅞	15⅝-15¾	—	16⅛-16⅛	16⅜	—	—	—	—	—
One year	15¼-15⅛	15¼-15⅜	15⅝-15½	15½-15¼	15⅞	—	—	—	—	—
Two years	—	—	15¼-15⅝	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 15-15½ per cent; four years 15-15¼ per cent; five years 15-15¼ per cent. ● Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15⅝ per cent; four-months trade bills 15⅞ per cent.

Approximate selling rates for one-month Treasury bills 15⅝-15¼ per cent; two-months 15⅝-15⁹⁄₁₆ per cent; three-months 16 per cent. Approximate rates for one-month bank bills 16⅝-15⅞ per cent; two-months 15⅞-16⅛ per cent; three-months 16⅛ per cent; one-month trade bills 17 per cent; two-months 17 per cent and three-months 16¾ per cent.

Finance House Base Rates (published by the Finance Houses Association) 14½ per cent from November 1, 1979. Clearing Bank Deposit Rates for sums at seven days notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1237 per cent.

COMPANY NOTICES

Rolinco

ROLINCO NV Rotterdam announce for the year ending 31 August 1979 a 5% stock distribution payable as from 10 December 1979 from the Share Premium Reserve, which is free of Netherlands Withholding Tax and United Kingdom Income Tax.

Holdings represented by Bearer Share Warrants cannot be aggregated with holdings of Registered Sub-shares.

BEARER SHARE WARRANTS WITH COUPONS ATTACHED

Coupons No. 21 accompanied by the appropriate claim form should be presented to the Company's Paying Agents, National Westminster Bank Limited, Stock Office Services, 5th Floor, Drapers Gardens, 12 Throgmorton Avenue, London, EC2, on business days between the hours of 10 a.m. and 2 p.m. Claims must be submitted by personal presentation. Postal applications cannot be accepted.

Holders will receive new shares, free of payment, on the basis of one new share for every 20 shares held against Coupon No. 21. Coupons may be purchased or sold in the market through a Coupon Broker for the purpose of rounding up, or down, to the nearest multiple of coupons representing 20 shares. Any additional coupons presented with the dividend claims will be treated as fractions, sold to the market, and paid in cash.

Claimants will be advised when the new Bearer Warrants are available for collection.

After 2 p.m. on 30 June 1980 the dividend will cease to be paid in stock and an amount in cash, based on the value of the shares, as at that date, will be made available by the Company through National Westminster Bank Limited.

SUB-SHARE CERTIFICATES REGISTERED IN THE NAME OF NATIONAL PROVINCIAL BANK (NOMINEES) LIMITED

United Kingdom Banks and Members of the Stock Exchange should lodge claims, together with the appropriate claim form, with the National Westminster Bank Limited, Stock Office Services, 5th Floor, Drapers Gardens, 12 Throgmorton Avenue, London, EC2. Payment of the dividend must be marked on the reverse side of the certificate in accordance with 'Marking Name' procedure.

All other claimants must complete the appropriate listing form and present at the above address together with the relevant certificates for marking by the National Westminster Bank Limited. These claims must be submitted by personal presentation. Postal applications cannot be accepted.

The Record Date is 29 November, 1979.

Holders will be advised when the new Sub-share certificates are available for collection. Fractional certificates will not be issued but the certificates for Sub-shares representing fractions will be sold and the net proceeds distributed in the appropriate portions to claimants with fractional entitlements.

INCOME TAX POSITION

The proceeds of the sale of coupons on the bearer shares will not be liable to United Kingdom Income Tax since they represent the sale of an entitlement to a stock dividend paid from the Share Premium Reserve.

Sub-shareholders will not be liable to tax on Sub-share fractions obtained through the sale of Sub-shares on the market to provide these fractions.

SHAREHOLDERS IN THE REPUBLIC OF IRELAND

Approved Agents in the Republic of Ireland may present coupons to the Company's Paying Agents there, Allied Irish Banks Limited, Registrar's and New Issue Department, 7/12 Dame Street, Dublin 2.

Claims on Sub-share certificates registered in the name of the Munster and Leinster Bank Nominees Limited should be lodged with Allied Irish Banks Limited, Registrar's and New Issue Department, 7/12 Dame Street, Dublin 2.

30th November, 1979.

TRANSVAAL CONSOLIDATED LAND AND EXPLORATION COMPANY LIMITED

(Incorporated in the Republic of South Africa)
A Member of the Barlow Rand Group

PAYMENT OF COUPON No. 81

With reference to the company's profit announcement and dividend notice advertised in the press on 30th October, 1979, the following information is published for the guidance of holders of share warrants to bearer. The dividend was declared in South African currency and in accordance with the conditions of payment of this dividend, payment from the offices of the Secretaries of the company in the United Kingdom will be made in United Kingdom currency at the telegraphic transfer rate of exchange between Johannesburg and London which ruled on 26th November, 1979.

Payment will be made against coupon No. 81 on or after 3rd January, 1980 in UK currency at the London Bearer Reception Office, Charter Consolidated Limited, 40 Holborn Viaduct, London EC1P 1AJ or in French currency at Credit Lyonnais, 19 Boulevard des Italiens, 75002 Paris.

Coupons must be left for at least four clear days for examination and may be presented any weekday (Saturday excepted) between the hours of 10.00 a.m. and 3.00 p.m.

Republic of South Africa non-resident shareholders' tax will be deducted at the rate of 15 per cent. United Kingdom income tax will also be deducted from coupons presented for payment at the London Bearer Reception Office unless coupons are accompanied by Inland Revenue declarations. Where such deductions are made the net amount of the dividend is as follows:—

	South African Currency Per Share	UK Currency Equivalent Per Share
	Cents	Pence
Amount of dividend declared	93.00	51.949060
Less: South African non-resident Shareholders' tax at 15%	13.95	7.792355
	79.05	44.156705
Less: UK income tax at 15% —		7.792355
		36.364350

Secretaries of the Company in the United Kingdom:
Charter Consolidated Limited,
40, Holborn Viaduct,
London, EC1P 1AJ.
29th November, 1979.

NOTE—The Company has been asked by the Commissioners of Inland Revenue to state:—
Under the double taxation agreement between the United Kingdom and the Republic of South Africa, the South African non-resident shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 15% instead of at the basic rate of 30% represents an allowance of credit at the rate of 15%.

BARLOW RAND LIMITED

(Incorporated in the Republic of South Africa)

7% UNSECURED NOTES 1975/84

PAYMENT OF INTEREST

NOTICE IS HEREBY GIVEN that interest at the rate of 7% per annum for the six months ending 31 December, 1979 will be paid to the holders of the 7% Unsecured Notes 1975/84 who are registered in the company's register of Noteholders at the close of business on 14 December, 1979.

The registers of Noteholders in Johannesburg and the United Kingdom will be closed from 15 December to 21 December 1979, both days inclusive. Interest cheques postdated to 31 December 1979 will be posted to Noteholders from the Transfer Secretaries' and United Kingdom Registrar's offices on or about 27 December, 1979.

This interest is payable in the currency of the Republic of South Africa, and the rate of exchange at which the payment will be converted into United Kingdom currency for the payments by the United Kingdom Registrar will be the telegraphic transfer rate of exchange between Johannesburg and the United Kingdom ruling on the first business day after 14 December, 1979.

In terms of the South African Income Tax Act, 1962, as amended, a non-resident's tax of 10% (ten per centum) has been imposed on interest payable to:
(a) Persons other than companies not ordinarily resident in South Africa, and
(b) Companies which are not South African companies,
and the company will accordingly deduct the tax from the interest payable to Noteholders whose addresses in the register of Noteholders are outside South Africa.

By Order of the Board
W. C. WARRINER, Secretary
30 November, 1979

Registered Office: Barlow Park, Katherine Street, Sandton, 2196 - South Africa.
Postal Address: P.O. Box 78-2248, Sandton, 2146 - South Africa.

Transfer Secretaries: Rand Registrars Ltd., 2nd Floor, Devonshire House, 49 Jorissen Street, Braamfontein, 2001 - South Africa.
Postal Address: P.O. Box 31719, Braamfontein, 2017 - South Africa.

United Kingdom Registrar: Lloyds Bank Limited, Registrar's Department, The Causeway, Goring-by-Sea, Worthing, West Sussex, BN12 6DA, England.

REFINERIA DE PETROLEOS DEL NORTE S.A.

PETRONOR

LOAN 8 ¾%—1971/1986—
U.S.$15.000.000.-

Bondholders are hereby informed that the amortization of U.S.$600.000.- nominal redeemable on 30th December 1979, has been fully carried out by repurchase on the market.

The payment of coupons due on 30th December 1979 will take place at the following banks:
Credit Lyonnais, Luxembourg
Credit Lyonnais, Paris
Credit Lyonnais, New York
Credit Lyonnais, Brussels
Credit Commercial de France, Paris
Kredietbank S.A. Luxembourgeoise, Luxembourg
Kredietbank N.V., Brussels
Commerzbank A.G., Frankfurt
Banco di Roma, Rome
Amsterdam-Rotterdam Bank N.V., Amsterdam
Banco de Bilbao, Bilbao
Banco de Vizcaya, Bilbao

Amount remaining in circulation after the eighth redemption U.S.$11 200 000.-

The Fiscal Agent.
CREDIT LYONNAIS, LUXEMBOURG

BRADLOW'S STORES LIMITED

NOTICE IS HEREBY GIVEN that the following dividends have been declared for the half-year ending the 31st December 1979 payable on or about the 1st January 1980.

DIVIDEND No. 86 ON THE 6% CUMULATIVE PREFERENCE SHARES
DIVIDEND No. 67 ON THE 6% "A" CUMULATIVE PREFERENCE SHARES

For the purpose of paying the above dividend the transfer registers of the 6% and the 6% "A" Cumulative Preference shares will be closed from Saturday, 15th December 1979 to Monday, 31st December 1979 both days inclusive.

GWENT ENTERPRISES LTD. (UK Registrars)
P.O. Box 17.
24/26 Newport Road,
Cardiff.

GEORGE ARMITAGE & SONS LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Registers for 5% First Cumulative Preference Shares and 10½% Second Cumulative Preference Shares will be closed from the 18th to the 31st December 1979, both dates inclusive.

By Order of the Board.
D. J. THORNTON, Secretary.
Robin Hood,
Wakefield,
West Yorkshire WF3 3BP.

TRANSPARENT PAPER LIMITED ORDINARY SHARES

An interim dividend in respect of the year ending 29th March, 1980 of 1.9635p is declared on the issued Ordinary Shares of the Company. The dividend is payable on 4th January, 1980 to Shareholders on the Registers as at 5th December 1979.

By Order of the Board,
G. P. COOPER,
Company Secretary.
Registered Office:
Bridge Hall Mills,
Bury, Lancashire.

CLUBS

EXHIBITIONS

PUBLIC NOTICES

CORPORATION BILLS
£10.0m Hants C.C. Bills issued 30th November at 16% to mature 28th December. Applications £55.0m. Outstanding £42.0m.

BANK HANDLOWY W WARSZAWIE S.A.

USD 30 millions
Floating Rate 1978/88

The rate of interest applicable for the six months period beginning on 29th November 1979 and set by the reference agent is 15⅛% annually.

RUSTENBURG PLATINUM HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

ABRIDGED NOTICE TO MEMBERS OF THIRTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the *thirty-third annual general meeting* of members of Rustenburg Platinum Holdings Limited will be held in the Board Room, Consolidated Building, corner of Fox and Harrison Streets, Johannesburg, on Wednesday, 30th January, 1980, at 9.30 a.m.

Any member of the company is entitled to appoint a proxy to attend and to speak and, on a poll, to vote in his stead. A proxy need not be a member of the company.

The share transfer books and the register of members will be closed from 23rd to 30th *January*, 1980, *both days inclusive*.

By Order of the Board,
JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY LIMITED,
Secretaries,
per J. A. F. Simmonds.

Head Office and Registered Office: Consolidated Building, Corner Fox and Harrison Streets, Johannesburg, 2001. (P.O. Box 590, Johannesburg, 2000). 29th November, 1979.

NCHANGA CONSOLIDATED COPPER MINES LIMITED

(Incorporated in the Republic of Zambia)

NOTICE TO HOLDERS OF 5½ PER CENT AND 6 PER CENT REDEEMABLE CUMULATIVE PREFERENCE SHARES

[illegible]

M. SHANDAVU,
Company Secretary
74 Independence Avenue,
Lusaka,
Zambia.
28th November, 1979.

NORTH AMERICAN NEWS

AMC plea on fuel economy

BY IAN HARGREAVES IN NEW YORK

AMERICAN MOTORS the smallest U.S. car manufacturer, which recently announced a joint manufacturing venture with Renault of France, is seeking exemption from Federal fuel economy standards for its vehicles.

In a Bill just introduced into Congress, American Motors seeks to use its French connection by arguing that although the average fuel economy performance of its own cars will not be up to the required Government standards from the model year 1982 onwards, it can meet the requirements if it is allowed to count its Renault imports and also the joint Renault — AMC car, which it plans to launch in 1982.

The company appeared fairly optimistic yesterday that Congress would pass the required legislation, the effect of which is intended to be limited to small companies and which therefore would exclude Chrysler, General Motors and Ford, all of whom have suffered huge and, in the case of Chrysler, crippling expense in order to meet the phasing in of Federal standards.

If the Bills are not passed, American Motors will have to pay a fine on each vehicle it produces of $5 per one tenth of a mile per gallon it falls short of the Government average standard, which in 1982 will require all manufacturers to have an average fuel economy of 24 miles per U.S. gallon. This would cost AMC several million dollars a year.

One reason for American Motors optimism is the precedent it has of similar temporary exemption from Federal standards on emission control. It is generally accepted in Washington that standards of this kind have a much more severe impact on smaller companies which have a smaller product range over which to spread the research and capital investment costs involved.

The use of the Renault link, however, provides an interesting development in that the Government is being asked to waive its definition of "made in the United States" so far as AMC cars are concerned.

The rule is that 75 per cent of the value of any vehicle must be domestically produced to qualify for inclusion in a company's fuel economy averages, but for the first two years after the Renault-AMC car is launched, the split will be approximately 50-50.

Special payout by Wheeling Pittsburg

By Our Financial Staff

A SPECIAL year-end dividend of $1 a share, payable December 31 to shareholders of record on December 10, has been declared by Wheeling-Pittsburgh Steel, the eighth largest U.S. steelmaker.

This is the first dividend on common stock paid by the company since the second quarter of 1975. But the company said that this action does not signal a resumption of regular quarter dividends.

In the first nine months of this year, earnings of the group amounted to $41.74m, equal to $10.33 a share.

Wheeling-Pittsburgh now reports, however, that its incoming order volume and shipments have declined. Lower operating rates and continuing cost increases indicate that group earnings will be substantially lower in the next several quarters than they were in the past nine months.

Fourth quarter slowdown at Hewlett

By Our Financial Staff

HEWLETT PACKARD, which manufacturers electronic equipment, reports increases of 36 per cent in both sales at $2.35bn and earnings at $203m for 1979. Share earnings rose from $2.63 to $3.43.

The results, however, are not up to the company's expectations, since the directors state that returns in the final quarter were impaired by greater than expected increases in material costs and premium prices paid for components in short supply. They also referred to a higher than usual volume of subcontracting for fabricated parts, but add that the year had brought increased demand for all its products.

In the fourth quarter, earnings gained 8 per cent to $56m or 93 cents a share, with sales putting on 31 per cent at $679m. Incoming orders for the final quarter were $638m, a gain of 28 per cent, and fro the year are put at $2.53bn, an increase of 35 per cent.

Pertec offer

Triumph Adler Incorporated, a subsidiary of Triumph Werke Nurnberg AG, the West German lingerie group, said that a preliminary tally of the response to its offer to buy all outstanding shares in Pertec Computer for $16.50 each shows that about 6.13m shares, or over 86 per cent have been tendered, Reuter reports from Los Angeles. Triumph extended the offer to 8 pm on December 10.

Price increases at U.S. Steel

BY OUR NEW YORK STAFF

U.S. STEEL, the largest steelmaker in America, is to raise prices on a range of steel products by about 2.8 per cent from January 1.

But the company, which earlier this week announced the closure of several loss-making facilities and that it would record an overall deficit for 1979 as a result, said the increases would be "insufficient to recover the continuing inflationary costs increases being experienced."

U.S. Steel's comment is part of the company's gathering onslaught against what it sees as the failure of the Government to effectively restrict that flow of cheap foreign steel.

The company said on Wednesday that it might launch an anti-dumping suit against the importers before the end of this year.

U.S. Steel is also concerned at this time to impress upon its trade unions the financial pressure the industry is facing as the slow-down in demand for steel products starts. Early next year the main steel companies will open talks with the United Steelworkers Union on a new three-year pay contract, which some steel companies have warned will have to end the index-linked basis of previous wage awards.

Republic Steel Corporation said it is "studying the U.S. Steel Corporation price increases reported earlier and is taking no action right now."

Blue Bell plans bid for Jantzen

BY OUR FINANCIAL STAFF

BLUE BELL, the Greensboro-based clothing group, plans to make a cash tender offer for all the outstanding common shares, at $24 a share, of Jantzen, the Portland, Oregon company renowned for its sports and swimwear. This values Jantzen at some $48m.

A schedule 14-D1 has been filed by a Blue Bell subsidiary with the Securities and Exchange Commission related to the proposed offer. Blue Bell is also filing under the Hart-Scott-Rodino anti-trust improvements act and the takeover laws of Nevada and North Carolina. Under such laws, the proposed offer cannot begin for at least 30 days after such filings are made.

Jantzen, which had no immediate comment to make regarding Blue Bell's offer, is a diversified apparel company, designing, manufacturing and marketing a wide range of sportswear and swimwear for men and women.

The group has seven plants in the U.S. with two located in Oregon, two in South Carolina, and one in North Carolina, Washington and Louisiana. There are also two plants in Puerto Rico and one in Canada.

Aided by reduced stock markdowns and tight stock controls, earnings for fiscal 1978 rebounded sharply from 1977's depressed $2.61m or $1.41 a share to a record $5.85m or $3.16 a share.

Earnings for the first half of the current year amounted to $1.32 a share—some 13.8 per cent above the previous year's corresponding $1.14 a share. Sales were over 12 per cent higher at $62.7m.

Blue Bell is best known as the second largest jeans manufacturer in the U.S. though it also has interests in sports and casual attire areas.

Canadian market reform urged

BY VICTOR MACKIE IN OTTAWA

THE INTRODUCTION of Federal laws to regulate the securities markets would make them more efficient and encourage investment in Canadian enterprise according to a report made public here by Mr. Alan Lawrence, Consumer and Corporate Affairs Minister.

The Minister said that the proposals in the report, prepared by a group of consultants, are not policy positions. They are suggestions to be considered by the Cabinet.

The security markets in Canada are at present controlled by provincial Securities Commissions. The Federal Government is not involved.

The consultants have reported to the Cabinet that a more efficient market system is necessary, if Canadian corporations are to acquire the capital they need to expand. The authors of the report conclude that Federal involvement in the securities markets appears inevitable.

"The economic effects of the Canadian securities markets transcend provincial boundaries. Federal regulation of the securities markets may be necessary to increase investor confidence and maintain an efficient market capable of performing its necessary allocation function," said the consultants.

Mr. Lawrence said he would welcome comments and discussion on the three volume report. The report is available from his department. A series of seminars and discussion sessions is expected to take place next year.

RESULTS IN BRIEF

Fleetwood Enterprises setback

BY OUR FINANCIAL STAFF

FLEETWOOD ENTERPRISES, mobile home manufacturer, announced that earnings slumped in the second quarter from $8.8m, or 60 cents a share, to $864,000, or 7 cents, as sales fell from $216.9m to $143m. For the first half, the group now shows earnings at a mere $1.6m, or 14 cents a share, against $14.7m, or $1.29 a share. Sales have fallen from $454.1m to $279.7m.

Diversified machinery maker Rexnord reports earnings of $57.3m, or $2.91 a share, for the year, compared with $52.9m, or $2.54, last time, on sales of $1.01bn, against $872.8m. The 1978 figures are restated to allow the results from Bellofram, acquired in fiscal 1979.

Also reporting for the full year is Zapata (fishing and mining), with earnings of $21.5m, or $2.36, against $4.5m, or 43 cents, on sales of $524.9m compared with $497.7m. The results include income from discontinued copper mining operations of $3.2m compared with a loss of $4.3m last time.

Northwest Airlines earned $72.4m or $3.25 in the ten months to October, compared with $51.3m or $2.37 last year. Operating revenues increased from $625.2m to $1.09bn.

For the full year, Equitable Life Mortgage and Realty Investors has earned $10.6m or $1.87 a share against $11.2m or $1.99 last time. Revenue increased from $40m to $48.1m.

Detroit Edison (utility) has pushed earnings ahead from $99m or $1.63m a share to $134.9m or $1.97 for the full year, on revenues of $1.69bn against $1.55bn. Wisconsin Electric Power (utility), also for the full year, lifted earnings from $65.1m or $3.55 to $71.6m or $3.84 on revenues of $843.8m against $741.7m.

Syntex starts year in line with forecast

By Our Financial Staff

SYNTEX, which manufactures pharmaceutical and animal health products, continues to year to fiscal 1980 to be well above 1979 after reporting a net operating profit of $16.95m or 95 cents a shre for the first quarter ended October 31. For the comparable quarter last year a tax loss carry forward credit of $585,000 brought final net to $18.29m or $1.09 a share.

Dr. Albert Bowers, president, said "our performance in the first quarter of this year was in line with our expectations as previously announced.

About half of the increase in the latest quarter's sales resulted from the acquisitions of Den-Tal-Ez a manufacturer of dental equipment on May 31 and of House of Westmore, a beauty care products company on October 27. However, these and other sales gains were reduced by over $6m compared to the 1979 first quarter due to lower sales of fine chemicals, the lack of infant feeding formula sales as a result of a voluntary recall of these products and lower sales of scientific instruments resulting from the sale of this business in July, the company said.

First quarter net did not grow as fast as sales because of a lower gross margin resulting from a less favourable product mix and higher operating expenses and research.

CAPITAL MARKETS

Dollar Eurobonds turn lower

By Francis Ghilès

TWO DOLLAR convertibles were launched yesterday: a $12m 15-year issue for Spectra Physics through Merrill Lynch, which is expected to carry a coupon of 8-8½ per cent, and a $10m 15-year bond for Galveston Houston through Kidder Peabody which carries a coupon of 8 per cent.

Secondary market activity, meanwhile, has dropped from the high levels reached earlier this week, at least in the dollar sector where prices finished the day slightly off.

In the Deutsche-Mark sector, however, activity remains more buoyant and Westdeutsche Landesbank was able to launch a DM 100m seven-year private placement for Oesterreichische Kontrollbank. This issue, which includes a coupon of 7¾ per cent, has been priced at par to yield 7.88 per cent.

Only last week a DM 100m private placement for the same borrower, but carrying a slightly shorter maturity, was arranged by Commerzbank. It was priced to yield 8 per cent. Yields on foreign D-Mark denominated bonds thus continue to fall.

The domestic bond market continued in good shape yesterday and the Bundesbank continued to sell bonds to satisfy investor demand, not least from abroad.

The UA 40m 15-year bond for the Province of Quebec, which carries an indicated 9¼ per cent coupon, is meeting with a favourable reception. Lead manager is Kredietbank International Group.

Swiss franc loan arranged for Namibia

By Our Euromarkets Staff

CREAFIN, the Swiss financial company in which Rothschild Bank AG has a controlling interest, has completed a SwFr 9.5m five-year loan for Namibia which is believed to be the first commercial credit arranged for this African borrower. The loan has a fixed interest rate of 5½ per cent and matures in 1984. It will carry a guarantee from the South African Government.

Banque Nationale d'Algerie has given Bankers Trust International a mandate to arrange a $200m credit: the borrower will pay a spread of ⅝ per cent over the interbank rate for ten years with five years grace.

Such terms are the finest obtained to date by an Algerian borrower. The management group for this loan is expected to be completed shortly and the loan has already been 75 per cent subscribed.

Credit Lyonnais is arranging a $300m seven-year loan for the Italian State railways, Ferrovie dello Stato, Reuter reports from Paris. The borrower is paying a spread of ⅝ per cent for the loan which includes a five-year grace period.

Seaman stake in Bow Valley to be retained

CALGARY—The three Seaman brothers, who own about 18 per cent of Bow Valley Industries, are inclined "to stay with" the company instead of selling their effective controlling interest according to Mr. Daryl Seaman, chairman and chief executive of Bow Valley.

Bow Valley, a Canadian oil and gas company, has been a likely takeover candidate since a deal with Hollinger Mines, now known as Hollinger-Argus, fell through last February. Hollinger planned to buy the Seamans' holdings in 1983 as well as acquiring an immediate interest.

Mr. Seaman said: "The Hollinger deal was structured so that there would be an orderly change of control of Bow Valley in five to eight years. We aren't thinking of five to eight years any more. In fact, we're now planning to stay with it [Bow Valley]."

Dome Petroleum and Aquitaine of Canada earlier this month denied they might try to acquire Bow Valley. Mr. Seaman said Bow Valley's fourth quarter net income would be "close" to $5.5m, or 51 cents a share compared with C$3.9m or 39 cents last year. The company has 10.7m shares outstanding—1m more than last year.

Bow Valley's nine months earnings were C$8.8m, or 81 cents a share—a 15 per cent decline from C$10.4m or C$1.02 the year before. Based on Seaman's fourth quarter, forecast net income this year would be about C$14.3m, or C$1.32 a share against C$14.3m, or C$1.41 on fewer shares outstanding in 1978.

Bow Valley's earnings next year would be about C$21m or C$1.80 a share. He said cash flow this year is expected to rise by about C$5.5m from C$42m in 1978, and to about C$66m in 1980

AP-DJ

Sharp advance at BASF over first nine months

BY KEVIN DONE IN FRANKFURT

BASF, the major West German chemicals group, has increased its pre-tax profits by 76.8 per cent in the first nine months of the year. German chemicals companies have been benefiting from strongly rising demand since the last quarter of 1978, and most parts of the industry have recorded sharp rises in both profits and sales.

BASF, the last of the "big three" West German chemical companies to report on the first nine months of 1979, has outstripped its rivals Hoechst and Bayer. The group has boosted its pre-tax profits to DM 1.34bn ($765m) compared with DM 760m in the same period of last year. Worldwide sales of the group have climbed by 20.7 per cent to DM 19.16bn ($10.9bn), compared with DM 15.87bn in the first nine months of 1978.

BASF has drawn its biggest gains from its major involvement in basic petrochemicals and the oil industry. For some years, it has been showing losses on oil refining interests in the wholly-owned subsidiary Wintershall.

The strong speculative demand for refined oil products has pushed prices to unprecedented levels in most parts of the world, however. Professor Matthias Seefelder, chief executive of BASF, said that all of the group's refineries were now operating profitably and the gains had been sufficient to wipe out the losses shown in recent years.

The group's profitability has been boosted by the strong growth in volume sales, which has allowed many of its basic petrochemicals plants to work at close to full capacity. So far this year, basic chemicals plants have been working at an average of about 95 per cent of capacity, compared with only 75 per cent in much of 1978.

Increases in raw material and energy costs have had a big effect on the plastics sector, which for several years had been suffering from falling prices and narrower profit margins.

BASF has benefited greatly from the opportunity offered by the market to raise plastics prices, a move which has coincided with a sharp rise in demand for plastics in the major markets of Europe, the U.S. and Japan.

Prof. Seefelder expressed fears, however, that future rises in energy and feedstock costs may be more difficult to pass on to consumers in higher product prices.

BASF is already investing heavily in basic petrochemicals plants at its major complex at Ludwigshafen on the Rhine, including ethylene, ethylene oxide and ammonia plants. About 70 per cent of this year's total capital expenditure of DM 1.75bn will be spent in West Germany, with 13 per cent in other European countries and 17 per cent overseas.

Dresdner Bank sees downturn

BY GUY HAWTIN IN FRANKFURT

DRESDNER BANK, West Germany's second largest commercial bank, is expecting a marked reduction in operating profits for 1979. Dr. Hans Fridrichs, of the executive board. estimates the decline for the first 10 months of the year at just under 10 per cent.

The bank's management, however, says that the dividend is definitely not in danger, despite the probable need for substantial depreciation on its securities portfolio this year. Dr. Fridrichs said that the bank's trading activities had shown further growth, and its precious metals business had done particularly well.

From the end of 1978 to the close of October this year, the bank's balance sheet total has increased by 2.3 per cent from DM 70.08bn to DM 72.36bn ($41.59bn). At the same time, Dresdner's credit volume has expanded by 7 per cent from DM 49.34bn to DM 52.8bn.

Advances to customers were up by 13.4 per cent to DM 35.85bn, while advances to other credit institutions declined by 4.3 per cent to DM 17.31bn. Customers' deposits fell back by just under 7 per cent to DM 40.52bn. Liabilities to other banks rose by 18.2 per cent to DM 21.38bn.

The bank, which last year paid an unchanged 18 per cent dividend after a 10 per cent increase in net profits, saw interest earnings increase from DM 1.27bn during the first 10 months of 1978 to over DM 1.34bn during the comparable period of the current year. Dr. Fridrichs said, however, that since the middle of the year interest margins had been falling.

Despite the 10 per cent increase in average business volume, interest earnings increased by only about 6 per cent. Commission earnings—up from DM 367.9m to DM 382m—were also unsatisfactory, he said.

In contrast to this, personnel costs rose 8 per cent to DM 939.3m, while material costs increased 16 per cent to DM 402.7m.

Dr. Fridrichs warned that in the first half of 1980, there would be increases in the bank's charges for its services. Earnings in the services sector had risen by only 14 per cent since 1975, he said. During that period, the bank's balance sheet total had increased by 60 per cent, while the number of staff employed in the sector had gone up by 30 per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on November 29

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	90¾	91¼	−0⅛	+2	11.61
Alex Howden XW 9½ 91	30	77	79	0	0	13.32
Australian Res. 9¼ 84	30	92⅞	93⅜	−0⅛	+1¼	11.65
Avco O/S Cap. 10¼ 87	40	†84	84½	0	+0⅜	13.72
Beneficial Fin. 9½ 87	100	91	91½	−0⅛	+1½	11.57
CECA 10¼ 91	150	87	87½	−0⅛	+0⅜	11.53
CECA 9¼ 99	125	81	81½	−0¼	+1	12.67
Canadian Pacific 9¼ 89	50	90⅝	91⅛	+0⅛	+2	11.35
Carter Hawley 9¾ 86	50	90⅜	91⅛	0	+1⅜	11.79
Cemalco Inv. S. 10¼ 91	40	90⅞	91⅜	0	+2⅛	11.66
Continental Grp. 9⅞ 86	100	91¼	91¾	0	+1⅜	11.51
Dome Petroleum 10 94	50	88¾	89¼	0	+2	11.66
Dominion Bridge 10¼ 84	30	94⅞	95⅜	−0⅛	+2	11.73
Dow Chem. O/S 9⅜ 94	200	88	88½	−0⅛	+1⅜	11.31
EIB 9⅞ 87	150	92⅜	92⅞	−0⅛	+1¼	11.71
EIB 10 99	150	88½	89	−0¼	+1¼	11.78
EIB 10⅛ 87	100	93⅜	93⅞	+0⅛	+1¼	11.84
EIB 10.15 99	100	89⅝	90⅛	−0⅛	+1⅜	11.77
Export Dv. Cpn. 9⅞ 84	100	92⅜	92⅞	0	+1⅜	11.51
Export Dv. Cpn. 9¾ 84	150	93⅜	93⅞	0	+1⅜	11.02
Finland 9⅝ 89	100	87½	88	+0⅛	+0½	12.14
GTE Finance 9½ 84	50	93¼	93¾	−0⅛	+1⅝	11.48
GTE Finance 9¾ 89	55	89¼	89¾	0	+2	11.62
GMAC 9¼ 86	100	91	91½	0	+1¼	11.18
Gould Int. Fin. 9¾ 85	50	93	93½	−0⅛	+1½	11.51
Hudson Bay Co. 10 94	50	91⅛	91⅝	0	+1¼	11.23
ITT Antilles 9½ 89	75	87¾	88¼	0	+1⅜	11.64
Kennecott Int. 9½ 86	100	88⅜	88⅞	0	+1⅜	12.11
Manitoba 9½ 89	75	88⅞	89⅜	−0⅛	+1½	11.47
Michelin 10 94	125	88⅜	88⅞	0	+2⅜	11.63
Nat. Des. Telecm. 9½ 86	100	91½	92	0	+1⅜	11.32
New Brunswick 9¾ 94	75	87⅜	87⅞	−0⅛	+2	11.55
Newfoundland 10 94	50	90⅞	91⅜	−0⅛	+1¾	11.28
Norges Komm. 9⅞ 99	100	86⅞	87⅜	−0⅞	−0⅛	11.87
Norway 9½ 84	150	93	93½	0	+1⅜	11.49
Nova Scotia Pwr. 9¾ 89	50	89⅜	89⅞	−0⅛	+1½	11.59
Occidental Fin. 10¼ 84	50	94¾	95¼	0	+1¼	11.70
Orient Leasing 9½ 86	25	88⅛	88⅝	0	+0¾	12.10
Pennwalt O/S F. 9¾ 84	25	93⅛	93⅝	0	+1⅞	11.68
Pepsico Cap. 9¼ 84	100	93⅝	94⅛	+0⅞	+1½	11.10
Quebec Hydro 10 99	75	88⅞	89⅜	0	+1¼	11.39
Sears Roebuck 9 82	150	94¼	94¾	−0¼	+1⅜	11.93
Statoil 9⅝ 89	100	89⅜	89⅞	−0⅛	+0⅞	11.43
Sweden 9¾ 89	100	89¼	89¾	0	+1½	11.62
Sweden 9½ 86	200	91⅝	92⅛	0	+1⅞	11.61
Sweden 9¾ 84	100	93¼	93¾	−0⅛	+1⅜	11.59
Unilever NV 9¼ 87	100	89¾	90¼	−0⅛	+1½	11.25
Warner-Lambert 9 84	100	92⅞	93⅜	−0⅛	+1⅜	11.03

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	98	98¾	−0⅞	+0⅛	8.28
Argentina 7½ 89	150	93½	94¼	0	+1⅞	8.46
Asian Dev. Bk. 7¾ 89	100	93¾	94½	−0¼	+1⅜	8.14
Banco Desarrollo 7¾ 85	100	94½	95¼	0	+1⅜	8.32
Barclays O'seas 6¾ 89	100	92⅜	93⅛	+0¼	+1¼	7.84
Brazil 8 87	150	97⅝	98⅜	0	+0⅞	8.35
CECA 7 91	150	94	94¾	−0⅛	+1⅞	7.75
Council of Eur. 7¼ 89	100	96¾	97½	+0⅛	+1	7.68
Denmark 6½ 89	100	88¼	89	+0⅜	+1⅜	8.32
EEC 7⅞ 94	225	98¼	99	+0⅛	+1⅜	8.03
EIB 7½ 89	200	99¼	100	0	+1¼	7.55
Eletrobras-Brazil 7 87	100	93	93¾	+0½	+1⅜	8.25
Eurofima 6½ 89	100	95¾	96½	−0⅛	+0⅜	7.08
Kobe, City of 7⅛ 89	150	96¾	97¼	−0¼	+0⅜	7.56
Mitsubishi Chem. 6½ 84	70	95⅛	95⅞	−0⅛	−0⅛	7.72
New Zealand 7⅛ 87	200	97	97¾	0	+0⅛	7.58
Nippon Kokan 6½ 84	100	94⅞	95⅜	+0⅛	+1	7.82
Nippon Tel. & T. 5¾ 87	100	88	88¾	+0¼	+1⅜	7.66
Norges Komm. 7¾ 91	150	100⅝	101⅜	+0⅛	+1⅜	7.61
Norway 6⅛ 84	200	97⅛	97⅞	0	+1½	6.92
OKB 6 87	40	89½	90½	0	+2¼	7.87
OKB 7⅛ 89	100	96⅞	97⅝	+0¼	+1⅜	7.82
Tokyo Elec. Pwr. 6½ 85	200	96	96⅞	0	+2⅜	7.32
World Bank 7¾ 91	400	98⅞	99⅝	−0⅛	+1⅞	7.89

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	97⅛	97⅜	+0⅛	−1⅛	5.88
Aumar 5 89	60	92	92¾	+0¼	−3⅞	6.07
Australia 3⅞ 89	250	91½	91¾	−0⅛	−1	4.75
Bergen, City of 4¾ 91	40	96	96½	+0½	−1½	5.18
BNDE 5 89	75	89¼	89¾	+0¼	−1	6.49
BMW Overseas 4¾ 91	100	95¾	96	+0¼	−1	4.71
Caisse Nat. Tele. 4½ 89	100	†97¾	98	+0½	−0⅛	4.65
Canada 3⅞ 89	300	91⅝	91⅞	−0¼	−0¾	4.74
Copenhagen 4½ 91	60	95½	96	−0¼	−0¼	4.98
Council of Eur. 5 89	100	97⅛	97⅜	+0⅛	−0¾	5.35
EIB 4½ 91	100	93	93¼	−0½	−2⅞	5.31
EIB 4¾ 94	100	89½	90	−0¼	−0½	5.40
Elet. de France 4⅞ 89	100	96⅝	96⅞	−0⅞	−1⅞	4.80
GZR 4¼ 89	100	91¾	92	+0⅛	−0¾	5.33
Hilti 4½ 91	35	98⅛	98⅜	0	−0⅞	4.44
ICI Fin. NV 3½ 94	230	†81¼	81½	+0⅞	−4¾	5.40
Int.-Amer. Dev. 4½ 89	100	92½	92¾	0	−1	5.50
Malaysia 5 89	80	91¼	91½	+0¾	+0⅞	6.19
Nippon Tel. & T. 4⅞ 89	100	95⅝	95⅞	−0¼	−2	4.80
Nordic Bank 5 89	45	97	97¼	−0⅛	−3	5.39
Norges Komm. 4⅜ 91	100	92¾	93	+0⅛	−0¼	6.19
OKB 3¾ 91	100	83⅛	83⅜	−0⅛	−1½	5.77
OKB 4⅜ 91	100	91	91½	+0⅜	−0½	6.39
Oslo, City of 4⅜ 91	100	†91	91½	+0⅞	−2	5.39
Shikoku El. Pwr. 4¾ 89	100	98⅛	98⅜	+0⅛	0	4.98
Spain 4 91	100	91⅝	91⅞	+0⅛	−0⅞	4.97
Staweag 4⅜ 91	60	†97½	98	0	−1½	5.01
Voest-Alpine 4⅞ 89	90	99½	99¾	+0¼	−0⅞	4.80
World Bank 4⅜ 89	100	97⅝	97⅞	+0⅛	−0⅛	4.92
World Bank 4⅞ 89	150	93⅜	93⅝	0	−1⅞	5.77
World Bank 4⅞ 91	100	93	93¼	−0⅛	−1⅜	5.42

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	87½	88½	+0⅛	−1¼	9.46
Australia 6½ 88	20	84⅞	85⅞	0	−0½	9.18
EIB 7⅛ 89	12	97½	98¼	0	−0⅞	8.06
Finland 5.6 83	10	87⅝	88⅝	+0⅛	0	9.37
Finland 6.8 88	10	87½	88½	+0⅛	+0⅛	8.93

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10¼ 86 C$	25	88⅜	88⅞	−0¼	+0⅞	12.91
Bell Canada 10¼ 86 C$	60	94	94½	0	+1⅞	12.01
Cr. Foncier 10⅛ 84 C$	30	90⅛	90⅞	+0⅛	+1⅛	13.14
Ex. Dev. Cpn. 10 84 C$	50	92	92½	+0½	+1⅛	12.32
Fst. Can. Inv. 10 84 C$	50	91¼	91¾	0	+0⅞	12.52
Hudson Bay 10½ 89 C$	60	90⅝	91⅛	+0⅛	+1½	12.16
Quebec 10¼ 86 C$	50	90⅝	91⅛	0	+1½	12.40
R. Bk. Canada 10 86 C$	40	90¾	91¼	+0⅛	+1½	12.05
R. Bk. Canada 10 94 C$	40	85¼	85¾	+0½	+0¼	12.16
Copenhagen 8¾ 91 EUA	25	†94	95½	−0⅛	−0⅛	8.99
Copenhagen 8¾ 91 EUA	20	†99½	100	−0¼	−0⅞	8.78
SOFTE 8¾ 89 EUA	40	†90½	92	0	−0¼	9.70
Algemene Bk. 8¾ 84 Fl	75	97	97½	0	+0⅛	8.97
Amev 8½ 86 Fl	75	97½	98	0	+0¼	8.94
Ned. Middbk. 8¾ 84 Fl	75	95⅞	96⅜	0	+0⅛	9.24
Norway 8⅛ 84 Fl	100	95⅞	96⅜	+0⅛	0	9.36
Norway 8⅛ 84 Fl	100	96⅜	96⅞	0	+0⅛	9.13
Rabobank 9 84 Fl	25	100⅛	100⅝	+0⅛	+0⅛	8.90
Air France 11 84 FFr	120	98	98¾	−0⅛	+0⅛	11.43
Euratom 9¾ 87 FFr	150	85½	86½	0	+0⅛	12.72
Finland 11 84 FFr	80	95½	96½	+0⅛	−0½	12.11
Finland 11½ 89 FFr	70	94½	95½	0	−0⅛	12.39
Gaz de France 11 84 FFr	150	97½	98½	+1	+0⅝	11.54
Norway 9¾ 84 FFr	200	89⅜	90⅛	−0⅛	−0¼	12.53
PSA Peugeot 9¾ 87 FFr	175	85¼	86¼	0	0	12.89
Renault 9¾ 85 FFr	100	88⅛	89⅛	−0⅛	+0½	12.60
Saint-Gobain 9¾ 86 FFr	130	85⅝	86⅝	−0⅛	0	13.02
Solvay et Cie 9¾ 87 FFr	125	84	85	−1½	−1⅛	13.12
Total Oil 9⅜ 87 FFr	150	83½	84½	+0¼	+0⅞	12.86
Citicorp 10 93 £	20	83½	84¼	0	+0⅝	12.53
EIB 9¾ 88 £	25	80⅛	80⅞	0	+2⅛	13.85
EIB 11½ 91 £	25	84⅜	85⅛	−0⅛	+0⅜	14.23
Finance for Ind. 13 91 £	15	93⅞	94⅞	−0⅛	+3⅜	13.99
Fin. for Ind. 12½ 89 £	30	89½	90¼	−0⅛	+0⅜	14.48
Gen. Elec. Co. 12½ 89 £	50	91½	92¼	0	+2	14.09
Indonesia 8¾ 91 KD	7	†93½	94	0	−0⅛	9.65
Mitsubishi 7½ 84 KD	10	†95¼	95¾	0	0	8.69
Norges Kom. 7½ 89 KD	12	†93¼	93¾	−0⅛	0	8.52
Occidental 8¾ 91 KD	7	†91½	92	0	−0⅛	9.45
Akzo 9¾ 87 LuxFr	500	†95½	96½	−0⅛	−0½	10.00
Euratom 8 87 LuxFr	500	90	91	−0⅛	−0⅛	9.87
Norges Kom. 8 86 LuxFr	500	90¼	91¼	−0⅛	+0¼	9.89
Oslo, City of 8 89 LuxFr	500	89¾	90¾	−0⅛	−0⅛	9.61

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma Int. 8 87	0¼	100	100½	26/4	15¾	15.71
Banco Prov. BA 7¾ 86	0¼	97⅞	98⅛	12/12	11	11.22
Banco Urquijo 6 86	0¼	97¼	97¾	21/3	13⅛	13.72
Bank of Ireland 5¾ 89	‡0¼	97⅞	98⅛	21/2	15.69	16.03
Bank of Tokyo 5¾ 89	‡0⅛	98¼	98¾	25/1	16.19	16.43
Bergen Bk. A/S 6 89	‡0¼	96⅞	97⅜	29/2	14.31	14.74
Bque. Indo Suez 5¾ 89	0¼	98	98½	11/1	11	11.20
BNP 5½ 91	0¼	96⅞	97⅛	22/2	11.94	12.29
Citicorp O/S F. 6 94	‡0¼	99⅜	99⅝	8/12	12.81	12.87
Citicorp O/S 83	§‡0	99½	100	23/2	15⅛	15.16
Co-operative Bk. 6 86	0¼	98	98½	15/5	15.06	15.33
Creditanstalt 5½ 91	§‡0¼	98⅛	98⅝	14/12	12.94	13.15
CNT 5¾ 86	§0¼	99⅜	99⅝	16/4	15.19	15.26
GZB 5½ 89	‡0⅛	99¼	99¾	1/2	16.19	16.27
Jugobanka 8 88	0⅝	94⅝	95½	23/5	16	16.88
LTCB Japan 5½ 89	0¼	98½	99	7/12	11⅛	11.27
Mfrs. Han. O/S 5¼ 94	‡0⅛	99⅛	99⅝	29/2	13.81	13.90
Nacional Fin. 6¼ 86	0¼	96½	97	25/1	11½	11.89
Nat. West. 5¾ 94	§0¼	98	98½	11/1	14.94	15.21
Nippon Cred. Bk. 6½ 88	0¼	97	97½	12/1	10⅞	11.19
Royal Bk. Scot. 5¼ 94	§‡0¼	98⅞	99⅜	11/1	14.94	15.09
Soc. C. de Bque. 6½ 87	0¼	96⅝	97⅛	3/4	13⅛	13.68
Sogenal 5¾ 89	§0¼	96⅜	96⅞	11/1	10.81	11.19
Sweden 5¾ 91	‡0⅛	97⅞	98⅛	18/1	15	15.33
TVO Pwr. 9 91 (D-lock)	0¼	97¼	97¾	24/5	15.31	15.77
Utd. Overseas Bk. 6 89	‡0¼	97¼	97¾	29/12	12.94	13.27
Williams & Glyn 5¾ 91	0¼	97⅜	97⅞	14/3	13	13.32
Bq. E. d'Alg. 4¼ 89 SF	0⅝	94⅝	95⅝	18/12	4¼	4.47

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 89	10/79	145	92⅞	93½	+0¼	−6.53
Alco Int. Fin. 9½ 94	1/80	40	93⅜	94⅞	−0¼	16.90
Asahi Optical 7 94	11/79	605	87¾	88¾	+0½	3.18
Canon 6¾ 94	8/79	570	98½	99½	+0⅝	0.77
Ciba-Geigy O/S F. 4 94	9/79	675	86¾	87¾	0	−1.36
Credit Suisse 4¾ 93	10/79	1325	101¼	102¼	+0⅛	0.76
Daiei Inc. 6¾ 94	11/79	1020	96⅞	97⅞	+0⅜	11.76
Esselte 7¾ 89	9/79	159	93⅜	94⅜	+0⅛	−2.03
Honda Motor 5½ 89	5/79	532	105	106¼	+1⅝	2.11
LPC Internatnl. 8 89	9/79	35	97½	98½	+0⅛	6.36
Meidensha Elec. 7 94	12/79	210	96½	97¼	+0⅛	37.04
Mitsubishi Cp. 6½ 94	10/79	604	136⅞	137⅞	+3⅞	9.02
Nippon Seiko 7¾ 94	12/79	339	86	87	−0⅞	9.59
Nitto Elec. Ind. 6 94	7/79	735	83½	84⅛	+0⅜	17.88
Toshiba Cpn. 7¾ 94	10/79	198	95⅝	96⅝	+0⅝	23.88
Union Bk. Switz. 5 89	2/80	125	104	105	+0⅛	4.06
Fujitsu 5 84 DM	7/79	475	99⅜	100⅛	+0⅞	28.83
Kansai Elec. 4 84 DM	4/79	1234	87½	88½	0	71.07
Tokyo Elec. 3½ 87 DM	4/79	476	99⅝	100⅝	+0⅜	168.08
Tokyu Ld. Cp. 4 86 DM	4/79	493	79⅞	80⅞	+0⅛	66.65
Uny Co. 6½ 85 DM	11/79	1071	97½	98¼	−0⅞	30.74

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Degussa forecasts improved results

BY ROGER BOYES IN BONN

THE MAJOR West German precious metals and chemicals concern Degussa is expecting *improved operating results for* 1978-79 and forecasts a further upturn in sales in the first half of the new *fiscal* year.

Parent company turnover rose by 20.7 per cent to DM 5.1bn ($2.9bn) in the year ended September 30, with domestic sales accounting for DM 2.64bn of the total. At the root of the rise in turnover and the favourable *profits* outlook — no profit figures have been released as yet—are the price increases *for* precious metals, and the *general economic upturn which* has kept domestic demand buoyant.

If the effect of the precious metal price rises is subtracted, the turnover increase of the parent company is nonetheless still a healthy 10.7 per cent *over 1977-78*. Group turnover rose in 1978-79 by 22.7 per cent to DM 6.2bn, with Degussa's foreign subsidiaries taking a slightly larger portion of total sales.

The precious metal price rises also underpin the expected improvement in the first six months of 1979-80. There are, however, uncertainties about the future—the cost of raw materials, for example, could bite seriously into margins later in 1980.

Degussa appears to be pursuing two principal strategies to safeguard itself against sharp fluctuations in raw materials costs. In the first place, it is investing heavily in its chemical sector to convert carbon black production units to technologies that save raw materials. It is also broadening the base of its chemical interests, for example by building an industrial scale production unit for the detergent additive HAB A 40 and by improving the infrastructure of its works in Wesseling and Wolfgang. Fixed *assets of DM92m were required* in 1978-79, of which by far the greatest portion went towards the chemicals division to push forward the investment programme.

The second prong of Degussa's strategy has been to strengthen its foreign subsidiaries, which in some cases have lower production costs than the German parent company's units. Degussa Corporation of Teterboro in the U.S. is raising its capital by $2.5m to $68.5m to finance participation activities. The increase is being underwritten by the parent company.

The Florence-based subsidiary Colorificio Romer SpA has also decided on a capital increase, of L4.5bn ($5.5m) to L6.3bn. Degussa is increasing its *interest in that subsidiary from* 75 per cent to 88 per cent.

The group has also rationalised its Latin American operations by merging the companies Vecambras, Kopp and Odenwald, and Micronica, all of Guarulhos, near Sao Paulo, with Degussa SA of Sao Paulo.

First-half increase at Rembrandt Group

By Our Financial Staff

REMBRANDT GROUP, the major South African company with interests in tobacco, liquor, mining and banking, has lifted pre-tax profits from R40.02m to R45.2m ($54.5m) for the six months ended September 30. Taxed profits were R50.61m *against* R42.67m and earnings per share came to 97.0 cents compared with 69.8 cents. Minorities added *R5,000 against a R2.72m deficit* and associates contributed R15.89m compared with R16.10m.

Capital commitments stood at R9.7m at the end of the period against R11.5m

Earlier this month it was announced that the group had reached an agreement with South African Breweries *whereby Rembrandt would transfer* its brewing interests to SAB while the wine interests of SAB would be linked with the Rembrandt *Oude Meester liquor interests* in a new Rembrandt controlled company, Cape Wine and Distillers.

AUSTRALIAN TAKE-OVERS

News buys Ansett stake after Bell deal is dropped

BY JAMES FORTH IN SYDNEY

MR. RUPERT MURDOCH has *bounced back from last week's* defeat in the A$126m bid for control of the Herald and Weekly Times newspaper group by snapping up a strategic stake in the Ansett Transport Industries airline, transport, and television company. A battle for control of Ansett has been under way for the past seven months but appeared to be *resolved last month when the* major shareholders hammered out an agreement under which the Western Australian businessman Mr. Robert Holmes a Court would gain control of Ansett and replace the 70-year-old founder, Sir Reginald Ansett.

This fell apart yesterday when the Ansett board decided not to go ahead with the deal. Mr. *Murdoch's News Limited* group stepped in and agreed to pay A$2.50 a share or A$27m *for* the 14 per cent holding of Mr. Holmes a Court. News already holds 5 per cent of Ansett, while "friends" of News hold another 4 per cent, giving the group 23 per cent of the Ansett capital. The main attraction of Ansett to News *would be its television interests* in Melbourne and Brisbane (one of which would need to be sold to comply with the Broadcasting and Television Act). The News purchase is subject to the approval of the Australian Broadcasting Tribunal.

It is expected that News will buy additional shares in the market today to seal control and that it *may ultimately* make a full bid. If this occurred News would probably wish to sell some of the non-media activities, such as the airline, transport and hotel operations. Some of these activities may appeal to the other major Ansett shareholders, such as the international transport group, Thomas Nationwide Transport (TNT) (which in 1972 *made an* unsuccessful takeover bid for Ansett) and Ampol Petroleum.

The Ansett directors said the company was close to a decision on the purchase of a new type of wide-bodied aircraft and that this commitment was at present the company's major consideration.

Brown Boveri expects higher sales and new order values

BY JOHN WICKS IN ZURICH

CONSOLIDATED turnover of the Swiss-based Brown Boveri engineering group is expected *to exceed SwFr 9bn* ($5.48bn) in calendar 1979, compared with last year's SwFr 8.1bn. A record of some SwFr 10bn ($6.09bn) is also expected for total new-order value, which amounted to SwFr 9.64bn in 1978.

While the parent company Brown, Boveri and Co. (BBC) of Baden, expressed satisfaction *with this development in sales* and orders, it said in the interim report that consolidated cash flow in 1979 will not attain last year's level. In 1978, this figure was down by 10.2 per cent to SwFr 579m. Price concessions *proved necessary* to maintain employment, with extreme pressure on prices resulting from sharp competition in important sectors of activity.

"In contrast to the generally rather optimistic assessment of the economic position, in our branch of industry there are no signs whatever of a change in trend, and the worldwide situation of poorly utilised capacity continues to persist," the company said. "The field of power generation has been hard hit, as has been the case for some time now: but recently the power distribution sector has also had to contend with such problems."

Herr Franz Luterbacher, chairman, said that the company's net profit would nevertheless remain at about the same level as last year, when the Swiss parent's net earnings were a record SwFr 41.7m. This would be enough to permit full depreciation, the formation of adequate new reserves, including risk provisions, and the retention of the 10 per cent dividend Brown Boveri distributed in recent years.

For the Swiss group of Brown Boveri companies, 1979 turnover is expected to be higher by between 5 and 8 per cent than *last year's SwFr 2.32bn, but with* a drop in operational income from 1978's SwFr 181.7m. Results of the German division, headed by the Mannheim-based Brown, Boveri and Cie. AG, should be about the same as in 1978, *when earnings were* DM 166m ($94.3m), assuming the settling by the end of the year of Iranian contracts. On the same assumption, German turnover for 1979 will exceed the DM 4.32bn recorded for last year.

Among other major operations, the French affiliate Compagnie Electro-Mecanique (CEM) is again faced with a *difficult year, after sustaining a* loss of FFr 41m ($10m) in 1978. Necessary re-structuring measures at CEM, which is said *to be still suffering from the* loss of its Le Bourget works, are incurring relatively high costs.

With regard to the British Kent group, Brown Boveri says that this company will in the *short-term be unable to main*tain the improvement in performance achieved in recent years.

Herr Erwin Bielinski, BBC's managing director said that the Swiss group had no interest at *present in acquiring the 20 per* cent stake in Kent held by the National Enterprise Board. The NEB has undertaken not to dispose of the stake without consultation with Brown Boveri. Herr Bielinski expressed the *opinion* that the shares would be best sold to the British investing public, but he stressed that Brown Boveri had no influence over the future of the stake.

West German metals group plans DM 75m rights issue

By Guy Hawtin in Frankfurt

THE MAJOR West German metals, engineering and transport group Metallgesellschaft yesterday announced a rights issue aimed at raising DM 75m ($43.1m). The issue will take place in January, but no further details of the offer period are *available yet.*

The issue of 600,000 new DM 50 nominal shares will be offered on a ratio of one for seven at a price of DM 125 a share. They will carry dividend rights for the whole of the *1979-80 business year, which* started on October 1. Metallgesellschaft shares are currently trading at about DM 249.50 a share.

According to a statement from the group, the supervisory Board yesterday approved a November 6 executive board decision to go ahead with the issue. *Approval for a DM 30m* increase in the DM 240m nominal capital was given by the group's shareholders at the annual meeting on May 9.

Little change at Cycle and Carriage

By Georgie Lee in Singapore

CYCLE AND CARRIAGE, a major Singapore and Malaysia motor trading company, has reported group pre-tax profit almost unchanged at S$60.41m (US$27.7m) *for the year to* September 30, 1979. At the post tax level, the figure was marginally lower at S$32.4m. Sales rose by 14 per cent to S$462.3m.

The slack performance of the group whose main agencies are for Mercedes Benz *and* Mitsubishi vehicles, was foreshadowed by Mr. Chua Boon Peng, the chairman, in his last annual report.

Cycle has declared a final gross dividend of 16 per cent *making a total of 23 per cent.*

Brambles withdraws from Acmil

BY OUR SYDNEY CORRESPONDENT

BRAMBLES INDUSTRIES the Australia transport group has been forced to withdraw its A$142m (U.S.$155m) proposal to merge with the building products manufacturer Acmil because of a "misinterpretation" of the stock exchange listing requirements.

On November 15 the two companies, which are both closely associated with the Sydney *financier*, Sir John Marks, announced plans to merge. The marriage would have been accomplished through an offer by Brambles on the basis of one Brambles share plus 20 cents cash for each two Acmil shares. This valued Acmil shares at slightly more than A$1.00 a share.

Brambles *subsequently* began buying Acmil shares in the market and picked up 3.7m shares or 2.6 per cent of the capital at prices ranging from 93 cents to A$1.00. Brambles did not report the transactions, *however, and this breached an* exchange requirement that dealings be reported daily by noon the following day. The situation came to a head when the managing director of Brambles, Mr. W. J. Holcroft told a newspaper that Brambles had been buying.

The Sydney exchange immediately contacted Brambles and pointed out the disclosure breach.

Brambles admitted that it had inadvertently breached the requirements because it had been working on another requirement which related to buying 10 per cent in open market transactions before *forcing* a cash alternative. Brambles directors said they had always complied with exchange listing requirements and they regretted the incorrect interpretation. The company felt obliged to withdraw as it "is not and never has been Brambles' intention that the merger can be construed as a takeover in the ordinary sense of the word. It was never foreshadowed at any stage that an alternative cash off would be made."

Thiess board concedes defeat

BY OUR SYDNEY CORRESPONDENT

THE DIRECTORS of Thiess, the *Queensland* coal, *construction* and motor vehicle group, yesterday conceded defeat in their struggle to prevent the industrial and mining group CSR from succeeding with its A$465m (US$508m) bid. At the *annual meeting* the directors had intended to seek approval for a doubling of the nominal capital and an increase in board members from 10 to 12. But CSR already held 50 per cent of the capital and indicated its opposition to the proposals and the Thiess board withdrew the motions.

Norwegian shipyards open merger talks

BY FAY GJESTER IN OSLO

TWO SHIPYARDS in eastern Norway, each in serious financial difficulties, have started discussions about a merger. The companies, Fredriksstad Mek. Verksted, of Fredriksstad (FMV), and Kaldnes Mek. Verksted, of Toensberg (KMV) are the two largest yards outside the two major Norwegian shipbuilding groups, Kvaerner and Aker. If they merge, the resulting company will be Norway's biggest shipyard, with a labour force of between 2,500 and 3,000 engaged in shipbuilding, offshore fabrication and some industrial production.

A merger would have to be approved by the creditors of each of the yards. Both are heavily in debt and have exhausted their equity capital. FMV, the larger of the two, has received Government aid totalling some Nkr 350m ($70m) over the past few years, including loans, loan guarantees and subsidies, and civil servants have recently been trying to *work out a refinancing plan for* the yard. With a share capital of Nkr 5m, it made net losses of Nkr 1.6m in 1977 and Nkr 10.3m last year. Lack of orders led to a fall in operating income to Nkr 304m in 1978, from *Nkr 465m in 1977.*

KMV, which has a share capital of Kkr 4m, made a profit of Nkr 1.4m and paid a 10 per cent dividend as recently as 1977. Operations last year, however, resulted in a deficit of some *Nkr 10m, after allocations* and extraordinary depreciation.

This year's deficit is expected to be even larger, partly because the yard has accepted several contracts at loss-making prices, simply in order to maintain em*ployment.*

Norwegian Government policy aims at encouraging mergers between the country's smaller shipyards as one way of dealing with the shipbuilding crisis. If the merger succeeds, therefore *the resulting company could ex*pect to be given priority when Government assistance to the industry is being allocated.

Doubled profits seen by Poliet

By Terry Dodsworth in Paris

THE FRENCH building materials and cement group, Poliet, is forecasting that it will double its consolidated profits in the current *financial* year, with turnover rising by about 20 per cent. Last year the company made profits of FFr 45.4m ($10.8m) on turnover of FFr 3.6bn.

The company says that its results in the last four years have been held back by losses in the division which provides materials for the public works industry, one of the sectors which has been seriously depressed by the Barre Government's *austerity policy*. But conditions in this area of business are now improving, and progress in the rest of the group has assured an average annual rate of expansion of about 15 per cent.

Poliet's activities are broken down among 30 main affiliates in France. Group policy is to maintain these businesses in small units, dealing directly with small *and* medium-sized companies *in* the building industry.

On the cement side, it says that its *subsidiary* Ciment Français has been investing heavily in recent years in an effort to improve productivity and reduce energy consumption, both in France and the U.S. In its domestic market, the policy of price liberalisation has helped the company to achieve the *level of profitability* which was necessary for long-term investment.

Because of these all-round improvements, Poliet will be proposing a higher dividend this year.

Dutch textiles concern to diversify

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH textiles group, *Nijverdal-Ten Cate is to take* over the plastic packaging and insulation materials manufacturer H. J. Regtuit. The price of this acquisition was not disclosed. This will enable Ten Cate, which has seen its traditional *textile* activities decline in recent years, to expand into a new and growing area.

The two companies foresee a sizeable market for insulation materials in particular in view of the government's efforts to *stimulate energy savings.* Regtuit's range of products fits in well with those of Ten Cate's technical division, which includes *glass fibre fabrics.*

The merger will also allow Regtuit, which employs 40 people and is the third largest company in its field in the Netherlands, to expand. The joint activities will be transferred to Ten Cate's premises in Oldenzaal, in the eastern Netherlands.

Continuing the restructuring of its textile business, Ten Cate plans to dispose of the unprofitable parts of its loss-making fashion fabrics operations and transfer the non-clothing activities to other divisions within the group. The present fashion fabrics workforce of 630 will be *reduced* by about 150, with as many people as possible being transferred to fill vacancies elsewhere in the company.

Ten Cate plans to seek the advice of management consultants in drawing up a long-term plan for this part of its activities. The company makes clothing fabrics, clothing, household textiles and technical cloths. Its latest figures showed a *3 per cent rise in turnover* in the first half of 1979 to Fl 230m ($118m). Pre-tax profit doubled to Fl 6.2m. It employed 3,121 people in mid-1979—439 fewer than a year earlier.

JAPANESE BANKS

Heavy losses on national bond holdings

BY RICHARD C. HANSON IN TOKYO

DESPITE substantial increases in revenues, the major Japanese city banks are reporting declines in net profit for the half year ended September 30, *as a result of heavy valuation* losses on the huge amounts of Government bonds they are obliged to hold. Income during the current half ending next March is also expected to be flat because of the bonds.

Of the banks currently reporting for the September half, Fuji, Sumitomo and Sanwa pushed *up revenues by* 17 to 20 per cent from the prior half while net profit was some 20 per cent lower. Taiyo Kobe suffered only a 5.2 per cent drop in profits on revenues higher by 14 per cent.

The banks have benefited from two increases in the official discount rate (1.75 per cent during the *half year*) which increased the average yields on loans and discounts.

JAPANESE CITY BANK RESULTS

	REVENUES		INCOME	
	Half-year to September	Change on prior half	Half-year to September	Change on prior half
	Ybn	%	Ybn	%
Fuji	420.3	+17.4	13.2	−19.8
Sumitomo	408.5	+19.3	12.6	−20.0
Sanwa	406.4	+19.9	11.8	−19.7
Mitsubishi	395.9	+16.7	13.1	+19.8
Tokai	272.0	+11.2	7.5	−11.5
Taiyo Kobe	266.6	+14.0	6.1	−5.2
Kyowa	188	+11.7	4.7	−7.8

Their expenses, however, rose faster than income, primarily because of the burden of national bonds.

Bonds which were issued last spring by the Government had depreciated *in* value by about 13 per cent by the end of September as a result of a virtual collapse in the Japanese bond market. The market is so far showing no sign of recovery.

The Government is issuing about Y15,000bn in bonds this fiscal year ending March 31 to fund nearly 40 per cent of the national budget. Attempts are being made to reduce the amount of bonds to be floated next year, but they will have to be accomplished by painful cuts in expenditures (rather than by increases in taxes which have proved politically impossible to introduce) if they are to have any impact.

The banks stepped up their overseas lending business during the half year, but this prompted the authorities to clamp down with tighter restrictions last month. The overseas activities have offset in part the slowed growth in domestic loans caused by very strict new lending guidelines imposed by the Bank of Japan.

The authorities have become even more restrictive during the present half. It is expected that the official discount rate will have to be increased again from the 6.25 per cent level late this year or early next. Bank profits will be *helped* during the current half because the latest discount rate increase was not accompanied by a rise in the fixed rates banks pay customers on deposits, but this is not expected to compensate for continued losses on bond portfolios.

WORLD STOCK MARKETS

Early fresh Dow rise of 4.1

DESPITE CONTINUING concern for U.S. hostages in Iran, Wall Street pushed further ahead in active dealings yesterday morning.

The Dow Jones Industrial average put on 4.10 more to 834.56 at 1 pm, and the NYSE All Common index added 25 cents at $61.25, while advancing issues held a two-to-one ratio lead over declines. Turnover came to 23.40m shares at 1 pm, but was below Wednesday's mid-session total of 26.26m.

Closing prices and market reports were not available for this edition.

Analysts said investors view the situation in Iran as a stalemate currently and noted that the market remains vulnerable to any negative development regarding the hostages.

While many Glamour and Blue Chip issues showed fractional gains, much sharper movements occurred in stocks involved in take-over talks or boosted by bid speculation.

Meanwhile, analysts added, investors continued to hope that interest rates have peaked, and will be looking for support for that hope in weekly banking figures, due after yesterday's market close.

Itel topped the actives list, climbing 1½ to $7. On Wednesday, Itel said it knew of no reason for a one point rise in its stock.

Nashua rose 2¼ to $32⅝. Sharon Steel recently bought 6.5 per cent of Nashua's Common stock.

U.S. Steel were unchanged at $17¼. The company, which predicted a sizeable fourth-quarter loss earlier this week, has raised prices an average of 2.6 per cent. Union Pacific raised the dividend but eased ⅛ to $76.

J. C. Penney put on ½ to $25⅝ and K Mart ⅜ to $25, but F. W. Woolworth eased ¼ to $25⅛. November sales rose 4.2 per cent for Penney, 12.9 per cent for K Mart and 10.5 per cent for Woolworth.

THE AMERICAN SE Market Value Index moved up 1.18 to 228.24 at 1 pm on volume of 2.72m shares (2.86m).

Volume leader Syntex improved ½ to $37⅛. The company reported lower fiscal first-quarter profits but again predicted a profit gain for the year.

Canada

Generally higher price levels prevailed on Canadian stock markets at midday after further busy dealings. The Toronto Composite index rose 11.8 to 1,706.8 at noon, while Golds, at 2,092.1, and Metals and Minerals, at 1,515.3, advanced 26.7 apiece. Oil and Gas improved 16.1 to 3,588.5, while in Montreal, Banks were 0.91 higher at 300.14.

Tokyo

For the sixth consecutive trading day, the market plotted a mainly firmer course, with Trading Houses and Energy-related issues featuring on fresh buying.

The Nikkei-Dow Jones Average added 20.59 at 6,440.84 and the Tokyo S.E. index was 1.51 higher at 449.03, while rises led falls on the First Market section by 360 to 258. Trading was again fairly active, turnover amounting to 330m shares (350m).

Investors drew some fresh encouragement from a rise in the Industrial Production index in October.

Heavy Electricals were in demand on good business performances, with Hitachi putting on Y4 to Y257 and Toshiba Y4 to Y173.

Nippon Oil moved ahead Y30 to Y2,000, Teikoku Oil Y50 to Y1,120 and Maruzen Oil Y32 to Y463, while in Trading Houses, Mitsubishi rose Y15 to Y854 and Marubeni Y11 to Y433.

Mitsubishi Gas Cement was bought on news that its affiliated concern has found a hydrocarbon deposit in Western Japan.

Constructions, Non-ferrous Metals and Shipbuildings gained ground. However, Light Electricals and Cameras closed mixed, while Textiles, Pharmaceuticals and Communications presented an easier appearance on meeting profit-taking.

Local stock analysts are predicting that the Tokyo market will become more bullish later this year and maintain the uptrend at least until next March under the leadership of Energy and Export stocks. In their opinion, two recent developments will influence the market: declining oil supplies from the Middle East and the yen's fall on foreign exchange markets this year. Shrinking oil supplies, especially in light of production uncertainties in the Middle East, are seen as helping such energy stocks as Oil Refiners, Trading Houses handling large oil imports, and Mining companies exploring natural gas and other energy resources. The yen's slide, which should lead to an increase in exports, would benefit stocks of those companies that heavily depend on overseas markets for their earnings.

Germany

Stocks eased afresh in quiet dealings, but some revived towards the end of trading amid a flurry of foreign buying orders, leaving a mixed appearance on balance.

Continuing a pattern of movement into Deutschemark securities evident earlier in the week, the foreign orders seemed to focus on Motors, Banks and Chemicals.

Volkswagen gained DM 2.20 and BMW DM 2 in Motors, while BASF put on DM 1.40 in Chemicals. Dresdner Bank advanced DM 3. MAN hardened DM 2 in Engineerings.

Australia

Mining and Oil issues were predominantly higher, while Industrials displayed a firm bias.

Main feature was market leader BHP, which advanced 40 cents to A$9.96 for a two-day rise of 62 cents. After being boosted on Wednesday by the exemption of its Fortescue Field Oil from the oil levy, BHP was spurred on yesterday by news that it is taking a 35 per cent interest in the Alumax Aluminium smelter to be built near Newcastle and that it was buying a 20 per cent stake in a bauxite-alumina operation at Worsely, in Western Australia.

CSR, which now has just under 50 per cent of Coal concern Thiess and has declared its offer unconditional, rose 13 cents to A$4.35. Thiess gained 4 cents more to A$6.70.

Woodside Petroleum climbed 13 cents more to A$1.90, still on its natural gas sales agreement. Ampol Exploration added 7 cents at A$2.07, Bridge Oil 10 cents at A$3.60 and AOG 3 cents at A$1.08. In Coals, White Industries moved ahead 15 cents to A$5.00.

Gold stocks firmed in line with the bullion price, with Central Norseman rising 50 cents to A$7.80 and GMK 22 cents to A$2.75.

Elsewhere, Pioneer Concrete rose 10 cents to A$1.80, but Ampol Petroleum shed 5 cents to A$1.20. The two are setting up a joint company to manage their 51 per cent stake in Uranium issue Kathleen Investments, and Ampol will be issuing 14m shares as its part of the deal.

Johannesburg

Gold shares were firmer in fairly quiet trading on higher Bullion prices.

Randfontein gained R1.25 to R58.00 and Western Areas put on 30 cents to R6.05 amid persistent market talk of a Scheme of Arrangement being made between the two companies.

Mining Financials were also mostly harder. T. C. Lands rose 50 cents to R35.50 after the chairman's statement. Diamond leader De Beers advanced 25 cents more to R9.38 on Overseas buying. Platinums were higher, Coppers mixed and Collieries mixed to firmer. Industrials further improved, with Abercom adding 10 cents at R2.70.

Hong Kong

After an easier morning on light profit taking, the market showed some improvement to finish with mixed movements overall following a fair business.

The Hang Seng index, however, ended 5.50 stronger at a new six-year peak of 754.09, with two prominently higher stocks contributing heavily to the rise.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

SWEDEN

SOUTH AFRICA

GERMANY

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

BRAZIL

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

Little hope for wheat agreement

THE INTERNATIONAL Wheat Council believes there is little prospect of negotiating a new international wheat agreement in the foreseeable future.

The council's special committee, which was established last June to consider matters impending negotiation of a new agreement, will meet next April to consider alternative proposals, an IWC communique said.

The exact date of the special committee's meeting here will be confirmed later. It will report to the next session of the council in June, 1980. The current agreement expires on June 30, 1980.

Jean Parotte, IWC executive secretary, said in the interim period before April the council secretariat would hold informal consultations with members and prepare a text to present to the committee.

The council recognised that it was necessary to search for alternative solutions to fulfill the twin objectives of market stability and world food security.

Delegates who attended this week's meetings said none of the major exporting members of the council made any suggestions at this stage on what these alternatives might be.

Some Scandinavian countries, however, outlined the possibility of countries which were able to do so holding stocks nationally on a voluntary basis.

Call for import ban on whale products

THE British Veterinary Association yesterday called for an immediate ban on imports of whale products because it said methods of slaughter were inhumane.

The UK should be leading Europe on the issue, said Mr. Neal King, chairman of the association's animal welfare committee.

U.S. cadmium price raised

NEW YORK—Asarco said it increased prices for cadmium products 25 cents per pound, effective immediately.

The company said its new price for cadmium metal and oxide was $2.75 per pound, cadmium powder $3.40, and cadmium sulphide, $3.15.

French fisherman loses 'shrimp war' test case

BY ROBIN REEVES, WELSH CORRESPONDENT

A BID to refer the case of a Breton fisherman arrested off Milford Haven, West Wales, to the European Court of Justice in Luxembourg for breaking British Government fishing regulations failed in the Cardiff Crown Court yesterday.

In what emerged as a test case in the "shrimp war," which has developed between French trawlers and Royal Navy fisheries' protection vessels off the Welsh coast, Mr. Justice Tasker Watkins rejected a defence plea that the legality of the UK's National fishing conservation regulations could only be tested in the European court.

The High Court judge ruled that the Government's regulations, introduced last July, were lawful under EEC as well as British law. A short trial followed, in which the facts of the case were not disputed.

M. Robert Tymen, skipper of the Breton trawler, Mousse Bihan Couze, was fined £250 for carrying two illegally small mesh nets (63 mm against the UK 70 mm minimum), and ordered to pay £100 costs. The nets and cod ends were forfeited.

Mr. Justice Watkins warned that fines for any future offences were likely to be far higher.

"There is no limit to the amount of the fine which a High Court judge in this country can impose. I anticipate that if anyone in future knowingly commits an offence, fines will be very heavy," he said.

Speaking after the trial, M. Tymen said that French trawlers would continue to break the law. "We are obliged to by our Government," he said.

M. Tymen's defence counsel gave notice that he would be appealing against the decision. In the circumstances, Mr. Justice Watkins agreed to adjourn two other appeals against fines imposed on French trawlers by the Milford Haven magistrates for similar offences.

The case was preceded by lengthy submissions aimed either at having it quashed on the grounds that the UK regulations contravened EEC law, or at least having it referred to the European Court. But after studying the relevant articles of the EEC treaties, Council of Ministers' regulations and possible legal precedents, Mr. Justice Watkins ruled that the Government's measures conformed with EEC law.

He took the view that the Government's action was covered by the 1976 Hague resolution of the Council of Ministers. This required EEC member governments to seek—but, crucially, not necessarily obtain—the approval of the Brussels Commission and member states for the introduction of interim national fisheries' protection measures, pending agreement on a common fisheries' policy.

Heavy decline in tin market

BY JOHN EDWARDS, COMMODITIES EDITOR

TIN PRICES slumped on the London Metal Exchange yesterday when an easing in the supply squeeze coincided with reports of new moves to release surplus tin from the U.S. stockpile.

Cash tin, which in particular had been boosted by a shortage of nearby supplies, plunged by £305 to £7,665 a tonne, while the three months quotation dropped by £125 to £7,452.5.

Overnight, the Straits tin price on the Penang market jumped by $M23 to a record $M2,113 a picul (133.3 lbs). But in London, prices quickly fell as the squeeze eased on nearby supplies, which had been the dominant influence in boosting values sharply recently.

The downward trend was also accelerated by Reuter report from Washington that representatives from the Senate and House of Representatives in the U.S. Congress had reached an informal agreement on a compromise stockpile disposal bill.

It is hoped that this tentative agreement will clear the way for final consideration by both houses of the overall bill, which provides for the disposal of 35,000 long tons of stockpile tin, as well as 3m carats of industrial diamonds and 5m ounces of silver. The compromise bill also approves the acquisition of other commodities, deemed to be in short supply, for the stockpile.

Earlier this month, the joint committee of Senate and House of Representatives disagreed on the plan to sell 15m ounces of stockpile silver, and this stalled approval of the whole bill, including the disposal of stockpile tin.

Traders in London, accustomed to news that stockpile tin sales are imminent, have yet to be convinced that Congress will finally pass the bill. However, it does appear that a significant step forward has been taken.

Price movements in other metals were less dramatic. Silver moved to new all-time peaks in early trading, with the bullion spot quotation at the morning fixing being raised by 24.35p to a record 853.8p an ounce.

Values moved further ahead to reach nearly 880p, but in the afternoon prices eased back to just over 850p.

Aluminium on the Metal Exchange also reached a new peak. The cash price closed £9.5 higher at £940 a tonne.

● Inco Europe will hold talks today with representatives of 150 craft workers on strike at its nickel refinery in Clydach, Wales. No talks have been arranged with the Transport and General Workers' Union, whose 600 workers at Clydach went on strike on October 15. The craft workers joined the strike 10 days later.

Tea strike off

NEW DELHI—A two-week strike by workers of the Calcutta Tea Workers' Board was called off yesterday, the Press Trust of India reported.

The strike, over service conditions and wages, disrupted tea shipments. It was called off to give Krishnapada Ghosh, West Bengal's Labour Minister, time to look into the issues and try to find a settlement.

The workers said the strike would be resumed in three weeks if a settlement was not reached.

Reuter

Rank puts up price of bread

By Our Commodities Staff

A RISE in bread prices, effective from Monday, was announced yesterday by Rank Hovis McDougall, makers of Mother's Pride.

The cost of a large standard white loaf is going up by 2.5p to 34p in England and Wales. The rise will be 3p in Scotland and Northern Ireland because of higher distribution costs. Prices of other types of bread will rise proportionately.

Rank's price increase follows a similar rise in bread prices by the Associated British Foods group, including Allied Bakeries, announced a week ago, but effective from Monday. Both groups blame the rise — the first increase in bread prices since May — on higher wages and increased costs of fuel and raw materials.

The price of flour has already been raised by Associated British Foods. Rank forecasts that an announcement of a price rise for the group would be made soon.

● Egg prices are also to rise next week. Goldenlay, the marketing consortium, said yesterday it was raising its prices for the second time in a fortnight. This reflected the seasonal increase in demand, coinciding with a reduction in supplies.

The most popular grades, three and four, are going up by 3p a dozen. They rose by 4p on November 15.

Grade 5 is raised by 5p a dozen, grade 6 by 3p and grade 7 (the smallest size) by 2p. The large size, grades 1 and 2, are unchanged.

Soviet cotton crop to exceed target

MOSCOW — Latest figures suggest Soviet cotton production will exceed the planned production target of 8.8m tonnes this year, according to Western agricultural experts.

They based their estimates on the record harvest figure of 5.7m tonnes in Soviet Uzbekistan, announced to the Supreme Soviet by Narmakhonmadi Khudaiberdyev, Uzbekistan Deputy. Uzbekistan normally accounts for more than half the total Soviet Union cotton production.

Reuter

FARMING IN BANGLADESH

Rice growers face seed breakthrough

BY KEVIN RAFFERTY

IN THE international games which grain growing countries love to play—testing each other's new varieties of seeds—Bangladesh has recently been a runaway winner.

"It does seem unlikely," said an agronomist in Dacca, "here we are in Bangladesh where a majority of the people do not get enough to eat, and we are wondering whether wide-spread famine is going to be averted. Yet out there Bangladeshis are winning international competitions with massive rice yields.

"The problem is getting the success from the experimental station to the actual farms."

Even allowing for the normal discrepancy between the high yield of experimental seed, and lower farm-gate production, it would seem that Bangladesh has made something of a breakthrough with new dwarf rice varieties. Two new ones in particular, BR 10 and 11, which are to go into general use next year, have made a big impact.

According to foreign experts yields from these new varieties have reached eight tons an acre in experimental plots in Bangladesh and an incredible 15 tons an acre in Mexico. This compares with average farm yields of less than three tons an acre in Japan, one of the world's most efficient rice producing countries.

Farmers are highly sceptical whether it would be possible to achieve such high yields on the farm, if only because the stalk would not be able to hold such a heavy head of grain.

Nevertheless, agronomists in Dacca believe that the new Bangladesh varieties will be important outside the country. Even after allowances have been made for the special care and the best inputs that experimental seeds always receive, these are still exceptionally high yields. The germ plasm of the new seeds is good, and Bangladeshi scientists are working to improve their nutrition content.

The question remains whether Bangladesh will be able to make even limited use of its own discoveries. This question involves more than the normal problems of transferring the technology from the scientific station to the farm. There are also social and political barriers.

Bangladesh's plight is as bad as almost any [illegible] of its 86m people [illegible] country's. Most [illegible] enough food or have barely [illegible] tain health. [illegible] allowed only one person is [illegible] grain a day, and few of food to supplement this [illegible] afford sources of nutrition. [illegible] grain has grown this [illegible] more than 2m tons.

Because foodgrain yields so low, averaging only half ton an acre, the scope for improvement is enormous. With only moderate success in the application of high yielding varieties of grain, the Government's plan to double food production in five years should be easy. Then Bangladesh could become a food exporter.

But the country has huge weaknesses. The soil is extremely fertile, washed by the floodplains of the Ganga and Brahmaputra river systems. But since Bangladesh is practically a mono-culture devoted to rice, it is more prone to disease and pest attacks. Although the land is well watered, by both the rivers and the monsoon rains, the water available varies immensely from year to year and from place to place. One strip of land might suffer from floods and drought in the same year.

Some of the problems, like those of water supply, can be overcome by careful technical engineering. But others cannot.

The efficient development of high-yielding grain varieties needs the input of greater knowledge and higher initial financial outlay. In addition, the land has to be watched and worked harder. Fertilisers are essential for the new seeds, and they have to be applied at the right time. If applied two weeks too early or two weeks too late, the fertiliser can be wasted and the crops spoiled.

This precision of technique clashes with the traditional agriculture of Bangladesh. Although farmers work hard on their land, they have not had to exercise the careful, constant husbandry of, say, Japanese or East Asian farmers.

Most difficult of all, the Bangladesh landowning patterns and the poverty of the farmers have made it difficult for new varieties to succeed. More than [illegible] of the rural population has no [illegible] and more than half of [illegible] holdings are of an acre or [illegible]

Even the most efficient [illegible] farmers—those [illegible] five acres—have [illegible] to experiment with high-yielding technology of new varieties. If the [illegible] failed, they would possibly [illegible] their land. [illegible] forced to sell [illegible] of other opportunities [illegible] scarcity a man's land is [illegible] work.

In these circumstances [illegible] easy to recommend [illegible] of co-operative farming [illegible] by efficient extension services [illegible] teach the small farmer [illegible] whys and wherefores improved seeds.

However, the problem is that the local politics of Bangladesh are governed by the larger landowners, who also function as moneylenders and pillars of the local establishment in close touch with the civil service machine. Army officers and civil servants are buying some of the land that the poor farmers are forced to sell.

To his credit, President Ziaur Rahman has encouraged the seeds of the green revolution. He has worked hard this year to import grain and stave off famine. But it is a different and difficult matter to reap the harvest.

Alumina price talks

KINGSTON—The ministerial council of the International Bauxite Association is meeting in Belgrade this week to discuss a minimum price for alumina.

The association, which is based in Kingston, has already recommended to its members a minimum price for bauxite ore, which was $U.S.26.34 per tonne for the third quarter of this year.

Mohammed Lamine Toure of Guinea, secretary general, said no firm recommendation had been made on the price of alumina. At last year's ministerial meeting. The association deferred a recommendation on alumina pricing because of depressed market conditions.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lower on balance on the London Metal Exchange. Forward metal opened up to £983.5 in the morning encouraged by a good demand for [illegible] which narrowed the contango to around £7 at one point. In the afternoon the market came under pressure as a rise in sterling more than offset a firm trend on Comex. Forward metal consequently eased back to £980 prior to closing the late kerb at £972. Turnover 17,525 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £972, 73, 73.5, three months £981, 82, 83, 82, 81, 79, 80, 81, 81.5, 82. Cathodes, cash £946, 45, three months £958, 58. Kerb: Wirebars, three months £981, 80, 79, 78. Afternoon: Wirebars, cash £962.5, 62, three months £972, 72, 73, 74, 75, 74, 73, 74. Cathodes, three months £951, 50. Kerb: Wirebars, three months £973, 72, 71, 72, 70, 71, 69, 70, 71, 72, 71.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	973-5	+19	962-3	[illegible]
3 months	983-5.5	+8.5	972-4	[illegible]
Settlem't	975.5	+10	—	
Cathodes				
Cash	944-5	+19	933-5	-5
3 months	958-.5	+8.75	950-1	-5
Settlem't	945	+19	—	
U.S. Prod	—		*98-101	

TIN—Sharply lower. Forward metal opened at £7,560 and quickly came off to £7,500 under profit-taking despite a further rise on the Penang market. In the morning rings the backwardation narrowed sharply from £400 to around £240 owing to a considerable easing in the nearby supply situation and this pared forward metal to £7,490. Values continued under pressure in the afternoon with forward metal falling back to £7,420 before rallying to close the late kerb at £7,450. Turnover 670 tonnes.

Morning: Standard, cash £7,770, 60, 75, 70, three months £7,520, 7,500, 7,490. Kerb: Standard, three months £7,450. Afternoon: Standard, three months £7,470, 60, 30, 40, 50, 55. Kerb: Standard, three months £7,430, 40, 50.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7775-80	-115	7650-60	-305
3 months	7480-90	-55	7450-5	-125
Settlem't	7780	-125	—	
Standard				
Cash	7770-80	-170	7650-60	-305
3 months	7480-90	-80	7450-5	-125
Settlem't	7780	-125	—	
Straits E.	‡$2115	+23	—	
New York	—			

LEAD—Fell away. Forward metal moved up to £549 on the pre-market with the market sustained by the initial rise in copper. Thereafter the price fell away with forward metal easing to £541 on the morning kerb and dipping further throughout the afternoon to touch £527 under trade selling which triggered stop-loss selling before a late rally prompted a close of £532.5 on the late kerb. Turnover 7,750 tonnes. [illegible]

ZINC—Marginally easier mainly reflecting the trend in copper and lead. [illegible]

ALUMINIUM—Higher reflecting the squeeze on nearby supplies. [illegible]

NICKEL—Firmer. [illegible]

SILVER

Silver was fixed 24.35p an ounce higher in the London bullion market yesterday at 853.8p. U.S. cent equivalents of the fixing levels were: Spot 1,868.0c, up 69.0c; three-month 1,909.5c, up 64.1c; six-month 1,951.3c, up 57.2c; and 12-month 2,013.0c, up 52.0c. The metal opened at 845-855p (1,840-1,860c) and closed at 848-858p (1,840-1,860c) after touching an all-time high of 1,920-1,940c earlier in the day. [illegible]

LME—Turnover 208 (215) lots of 10,000 ozs. [illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

COTTON

[illegible]

MEAT/VEGETABLES

[illegible] heavy 38.0 to 43.0, Scotch medium 42.0 to 46.0, heavy 28.0 to 42.0; Imported frozen: N.Z. PL 51.5 to 52.0. Pork: English, under 100 lbs 46.0 to 52.0, 100-120 lbs 44.0 to 51.0, 120-160 lbs 42.0 to 50.0. Hares: English (large) (each) 160.0 to 240.0. Patridges: Young (each) 150.0 to 210.0. Pheasants: Best (per brace) 310.0 to 390.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Spania: Navelinas 3.30-4.40; S. African: Valencias 2.00-4.00. Satsumas—Spania: 95/189s 2.80-3.40. Clementines—Moroccan: 1/7s 3.20-3.80; Spania: 3.20-3.50; Cyprus: 126/162 3.50-3.80; English Produce: Potatoes—Per bag 2.00-2.80. Lettuce—Per 12, round 1.00-1.20. Mushrooms—Per pound 0.60-0.70. Apples—Per pound Bramley 0.08-0.12, Cox's Orange Pippin 0.04-0.11, Russets 0.08-0.10, Golden Delicious 0.05-0.06, Jonathan 0.04-0.06, Laxtons 0.05-0.08. Pears—Per pound Conference 0.04-0.07, Comice 0.08-0.12. Cauliflower—12s Kent 2.50-4.00. Celery—Boxes, naked 12/18/20s 1.20-1.60, cartons 22s pre-pack 4.00-4.20. Onions—Per bag 2.40-2.60. Cocktail 22-lb 1.50. Carrots—Per bag 0.80-0.90. Beetroot—Per bag 0.80. Capsicums—Per pound 0.30. Swedes—Per 25-28-lb 0.60-0.70. Sprouts—Per pound 0.06-0.07. Cabbages—Per bag 0.80, White Cabbage 1.40. Cob Nuts—Per pound 0.45-0.50. Turnips—Per 28-lb 1.00. Parsnips—Per 28-lb 1.00.

PRICE CHANGES

In tonnes unless otherwise stated.

[illegible]

CORAL INDEX: Close 420-425 (+5)

INSURANCE BASE RATES

† Property Growth	13½%
‡ Vanbrugh Guaranteed	14½%

† Address shown under Insurance and Property Table.

LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1976
HATHTON LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of Leonard Curtis & Co., situate at 3/4 Bentinck Street, London W1A 3BA, on Friday, the 7th day of December 1979, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 22nd day of November 1979.

By Order of the Board,
MICHAEL NEWMAN, Director.

THE COMPANIES ACTS 1948 TO 1976
WEINER & GREENE (CATERERS) LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of Leonard Curtis & Co., situate at 3/4 Bentinck Street, London W1A 3BA, on Monday, the 10th day of December 1979, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 22nd day of November 1979.

By Order of the Board,
A. WEINER, Director.

AMERICAN MARKETS

NEW YORK, November 29.

CONCERN ABOUT a potentially tight supply situation in deliverable positions produced sharp to limit-up gains in silver. The gold market was less buoyant and finished with moderate losses. Short-covering by commission houses toward the close moved copper prices sharply higher. The cattle market closed mixed while the pork complex continued under heavy pressure. Pressure. Sugar prices closed limit up on new contract highs. Commission house liquidation in coffee depressed the market, while reports of heavy rains in West Africa added strength to the cocoa market. Grains and soyabeans rallied on the close on the uncertainty of the Iranian situation with soyabeans finishing with good gains, wheat mixed and maize fractionally lower, Heinold reported.

Copper—Dec. 97.90-98.00 (95.00), Jan. 97.00 (94.40), Feb. 97.35, March 97.60-97.90, May 97.50-97.70, July 97.50, Sept. 97.50, Dec. 98.10, Jan. 98.00, March 98.30, May 98.70, July 99.10, Sept. 99.50. Sales: 7,000.

*Gold—Dec. 408.00-409.50 (411.00), Jan. 414.00 (417.00), Feb. 419.10-420.00, April 429.30-430.00, June 439.50, Aug. 447.50, Oct. 456.10, Dec. 464.50, Feb. 472.90, April 481.20, June 489.40, Aug. 497.80, Oct. 505.70. Sales: 45,000.

*Platinum — Dec. unquoted (unquoted), Jan. 533.00-535.50 (529.80). April 534.30-536.00, July 540.60, Oct. 546.50, Jan. 550.10, April unquoted.

Potatoes (round whites)—March 72.7 (74.6), April 84.8 (86.3), May 96.7-97.1, Nov. unquoted. Sales: 836.

Tin—799.00 asked (825.00).

CHICAGO, November 29.

Lard—Chicago loose 22.50 (same). New York prime steam unavailable.

Live Cattle—Dec. 67.20-67.45 (67.45-67.32), Jan. 70.10-10.40 (69.95-70.25), Feb. 72.20-72.05, April 73.20-73.10, June 74.50-74.40, Aug. 73.70-73.56, Oct. 73.20, Dec. 74.25. Sales: 33,603.

Live Hogs—Dec. 40.50-40.35 (41.27-40.42), Feb. 42.37-42.25 (43.32-42.32), April 39.85-39.70, June 43.25-43.20, July 44.10-43.90, Aug. 43.40, Oct. 42.60, Dec. 43.60, Feb. 45.27. Sales: 8,433.

‡‡Maize—Dec. 269½-269¼ (271½), March 288-287¾ (289½), May 298¼-299, July 305¾, Sept. 309, Dec. 310¾.

Pork Bellies—Feb. 48.60-48.90 (50.65-48.85), March 49.45-49.30 (51.02-49.37), May 50.70-51.00, July 52.10-52.07, Aug. 50.85. Sales: 9,110.

Silver—Dec. 1815.0-1820.0 (1830.0), Jan. 1846.0 (1786.0), Feb. 2862.5, April 1901.5, June 1935.0, Aug. 1964.5, Oct. 1993.0, Dec. 2021.5-2015.0, Feb. 2050.0, April 2078.5, June 2107.0, Aug. 2135.5, Oct. 2164.0, Dec. 2192.5, Feb. 2221.0, April 2495.0, June 2273.0, Aug. 2295.0.

‡Soyabeans—Jan. 673-674 (667½), March 696-696½ (689¼), May 715-714½, July 729½-729, Aug 735-735½, Sept. 739½, Nov. 744½-745, Jan. 760.

‖Soyabean Meal—Dec. 193.90-194.20 (193.30), Jan. 195.00-195.20 (194.10), March 196.70-196.30, May 198.50, July 200.50-200.00, Aug. 202.00, Sept. 204.00-204.50, Oct. 205.00, Dec. 208.00, Jan. 209.00-209.50.

Soyabean Oil — Dec. 26.30-26.25 (26.29), Jan. 25.90-25.85 (25.82), March 25.60-25.65, May 25.45-25.40, July 25.60-25.50, Aug. 25.50-25.51, Sept. 25.50, Oct. 25.50-25.60, Dec 25.75, Jan. 25.70.

‡Wheat — Dec. 423½-423 (425½), March 448-447 (448), May 454-453, July 452½-451½, Sept. 462½, Dec. 477-478.

WINNIPEG, November 29. §Barley—Dec. 115.40 (116.20), March 115.[illegible] 115.30 (116.30), May 114.70-114.80, July 114.00, Oct. 113.30.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 242.70 (243.05).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, November 29.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, spot $211, Jan. $213, Feb. $215, March $217. U.S. Hard Winter ordinary unquoted. U.S. No. 2 Red Winter Jan. $204, Feb. $206, March $208. U.S. No. 2 Northern Spring, 14 per cent, Nov. $202, Dec. $205, Jan. $217, Feb. $224, March $226, April-May $204, June $204, July $205.

Maize—U.S. No. 3 Corn Yellow afloat $144.50, Nov. $143.50, Dec. $142.50, Jan.-March $151, April-June $154, July-Sept. $157, Oct.-Dec. $159.

Barley—Unquoted.

Soyabean—U.S. Two Yellow Gulfports Dec. $275.75, Jan. $281, Feb. $281.25, March $290.50, April $294, May $294.75, June $298.75, July $299.50, Aug. $301.50, Sept.-Oct. $302.50, Nov. $301.75, Dec. $307.75. Brazil Yellow Faq unquoted. Argentine May-June $290, July $290.50.

Soyameal—44 per cent protein U.S. afloat $259, Nov. $259, Dec. $258, Jan.-March $257, April-Sept. $255. Brazil Pellets afloat $272, Dec. $270, March $260, April-May $253.50, April-Sept. $256.

PARIS, November 29.

Sugar (FFr per 100 kilos)—March 1591-1595, May 1605-1610, July 1605-1620, Aug. 1610-1625, Oct. 1620-1660, Nov. unquoted, Dec. 1630-1690, March 1680-1700. Sales at call 64.

INDICES

FINANCIAL TIMES

Nov. 28	Nov. 27	M'nth ago	Year ago
296.18	295.29	291.34	261.28

(Base: July 1, 1952=100)

MOODY'S

Nov. 28	Nov. 27	M'nth ago	Year ago
1182.3	1163.3	1137.7	982.2

(December 31, 1931=100)

DOW JONES

Dow Jones	Nov. 28	Nov. 27	Month ago	Year ago
Spot	414.94	413.61	400.30	396.42
F'tur's	425.86	425.29	403.17	394.40

(Average 1924-25-26=100)

REUTERS

Nov. 29	Nov. 28	M'nth ago	Year ago
1690.3	1689.5	1680.1	1516.3

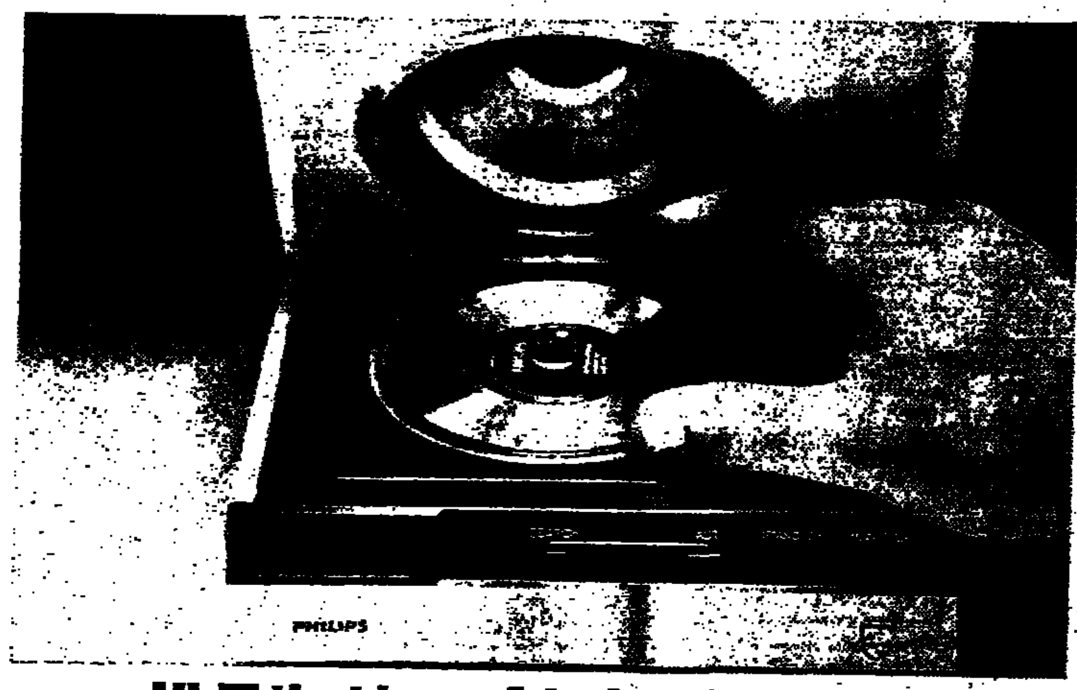
(Base: September 18, 1931=100)

PHILIPS-A WHOLE NEW WORLD OF KNOWLEDGE.

Today, Philips are going to spend over one million pounds with you in mind.
We're using this tidy sum on research and development to build a whole new world of knowledge that benefits everybody.
Because at Philips, new ideas don't gather dust. They gather momentum. And are turned into worthwhile new products we can all appreciate: new technology for our homes, our hospitals, our schools and our places of work. In fact, our complete environment.
The most interesting thing of all is that there's nothing particularly special about the million pounds we're spending today. Because we spend over one million pounds *every* day to widen our knowledge and produce even better products for you.
Here are just some of the ways in which that £450 million a year is spent on research and development helping to keep Philips simply years ahead.

The super-sensitive 'Night Eye' that lets you see in the dark.

We're helping people to see in the dark with an amazing new type of Image Intensifier.
The system gives a high definition picture without the need for additional directed light beams. Already this new development from a Philips Group company – Mullard – is playing a major part in the campaign against crime.



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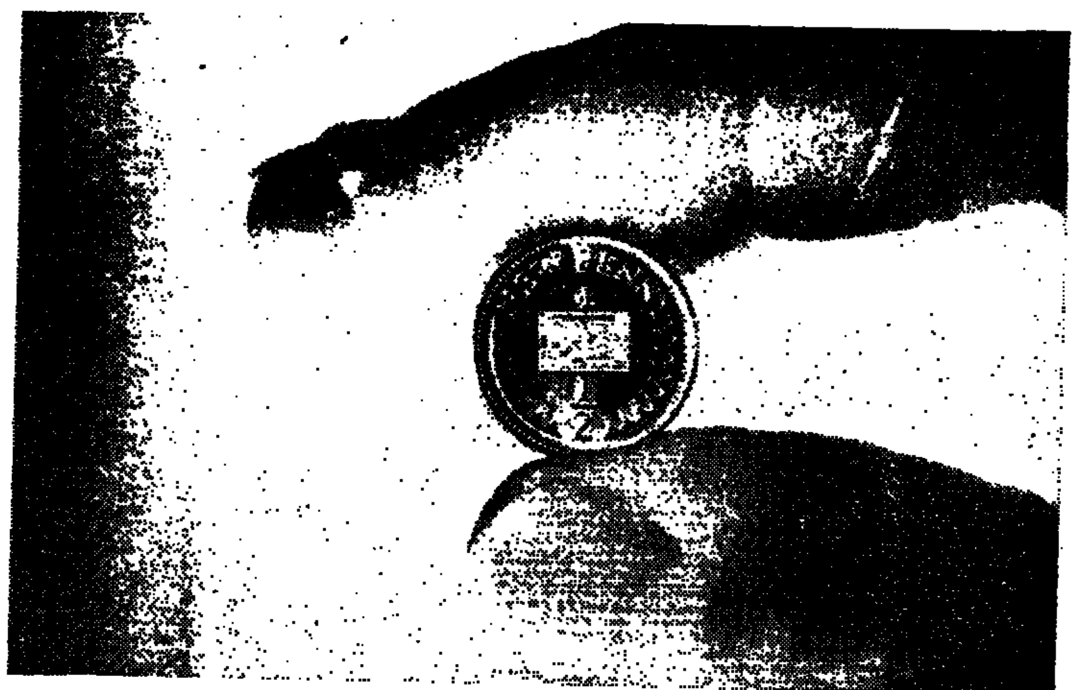

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FINANCIAL TIMES SURVEY

Friday November 30 1979

Agriculture

In terms of climate and soil, Britain is not, on the whole, a good farming country. As farmers gather in London for the opening of the Royal Smithfield Show on Monday, they are faced with rising wage bills and frozen prices. EEC membership has not lived up to their expectations.

A game farmers cannot win

By John Cherrington

FARMERS ARE facing the New Year in a state of profound disillusionment. The high hopes they held that entry into Europe would lead them into an era of high prices, unlimited production and competitive superiority have evaporated in the cold reality of a price freeze in Europe and inflationary cost incerases at home.

For several years prices for some products had been held down by the working of the system of Monetary Compensatory Amounts (MCAs) designed to level out the variations of European currencies in relation to sterling. These had the effects of subsidising exports to Britain while at the same time putting a levy on similar exports to Europe. The key factor in this was called the green pound and for years the Natonal Farmers Union made *the devaluation of the green* pound its battlecry.

Last August, a combination of the strength of sterling and successive green pound devaluations extinguished the MCAs, particularly with Denmark, and the NFU almost lost its raison d'etre. But not for long. Another bewildering change in the European Monetary System and the weakening of the pound *have reintroduced the MCA gap* and the figure in mid-November was 12½ per cent. This is not so bad as the 25 per cent ruling at the beginning of the year but bad enough.

But even when the MCAs dropped to nothing the strength of sterling succoured the Danes, *the Dutch and others by virtually* replacing the MCA value by increased currency earnings. It seems you cannot win this game, no mater how hard you try.

However disappointing the reality of the temporary disappearance of the MCAs turned out to be, it did give farmers the opportunity of seeing what European prices really were in sterling terms. They did not look too promising either, being either around or a little above those obtainable in Britain.

To some extent British farmers had been sheltered by successive green pound devaluations from the price restraint imposed in previous Community price reviews, which culminated in a virtual freeze last time. Now they face the cold truth. There is little likelihood of any significant price increase in the main products for some time to come because of the overall surplus situation in the Community.

Vanishing breed: dairy farmers are taking the EEC carrot and getting out

CONTENTS

First place

Even to-day you hear some farmers' leaders claiming that because of its efficiency British farming should not suffer such attacks on overproduction as a co-responsibility levy on milk. Moreover it is claimed that because Britain is in the main an importer British farmers should have first place on their own market. These admirable sentiments would have been in order had Britain remained out of the Community. But the fact that keen pro-Marketeers among farmers still hold these views demonstrates their naivete.

It is worth remembering that in the essential factors of climate and soil quality Britain is not on the whole a good farming country—nothing like as well placed, for instance, as France, Germany and other *parts of Western Europe. This* is of paramount importance when considering the future development of the Common Agricultural Policy.

The only area of the world with comparable soil and climatic differences within its borders is the U.S. Farming began there in the southern and eastern states but eventually the institution of common prices determined where farming would evolve. So the eastern and southern states can in general be termed as declining agriculturally, while all the progress has moved to the middle west and the irrigated deserts.

Transpose the situation to Britain and it is apparent that for competitive grain production with the more favoured parts of Western Europe there are only the southern and eastern counties. Grass grows reasonably well in the west but not as well as it could in south west France or on the high watertable of the Dutch polders.

Then there is the fallacy of structure. It used to be laid down that Britain would succeed in the Community because for historical reasons our farms are much bigger. But farm size is far from being the only factor in viability. Between 60 and 70 per cent of the output of EEC farming is in livestock products —milk, meat, and poultry and *so on. This is highly intensive* and in the Communty almost all in the hands of family farms.

British farms employ more paid labour per unit of production than anywhere else in Western Europe and in the highly competitive sphere of livestock production this is a matter of crucial importance. When it comes to the pinch a well-run family farm can beat the employer of labour hands down.

To some extent British farmers have been sheltered from the reality of high labour costs because of the availability and comparative cheapness of their own labour. But this no longer holds good.

The Wages Board has just announced an increase of roughly 21 per cent for next year following one of 16 per cent last time. At the same time farmers are facing the prospect of nil or almost nil increase in the price of most commodities. Nor will the cost increase be restricted to labour. It is generally believed that the average cost rise including labour will be in the region of 15 to 20 per cent. How will farmers react?

They will, of course, complain stridently and there could well be a further green pound devaluation if the Government thinks that sterling will make that possible. But farmers in the main are realists and are *increasingly looking for options* to enable them to stay in business.

A first indication of this has been a sudden increase in the number of farmers who are taking the EEC inducements—which are quite considerable—to give up dairying. This scheme *was designed to remove the* smaller supposedly uneconomic dairy farmers from production. In Britain the takers have apparently been confined to the larger farms where labour is employed and where it would be thought some of the most efficient dairying would be found.

So far, except in parts of Scotland, this exodus has not made a significant reduction in milk supplies, but the general expectation is that farmers who have land on which they can grow cereals easily and harvest them without much trouble will probably be tempted to make the change. The wage increase will undoubtedly accelerate this development.

Cereal growing and arable farming generally make less use of capital than stock farming, are extensively mechanised, and *farmers helped out by con*tractors can manage a great deal themselves.

Cereal prices are also intrinsically higher under the EEC system than those of livestock products, a situation which has the effect of making livestock farming, the main consumer of arable products, more difficult than it otherwise might be.

Certain sectors have already been hard hit by the present squeeze. A good deal of the difficulty over sheep sales to France has been caused by a thoroughly bad trade for sheep in Britain this autumn. Prices for both fat and breeding sheep are well down on last year, and while some of the drop in fat prices could have been caused by market imbalance there is no doubt that lowland farmers who used to run sheep flocks as a break in cereal growing have become disenchanted with the prospects and are not reinvesting. The value of sheep flocks is probably now 20 per cent less than it was a year ago —a shocking capital set back.

Beef in decline

Beef production has also been hit quite badly especially that from the beef breeding herd which is itself declining. Future beef supplies will undoubtedly come from the dairy herd and may cease completely on farms where resources can be devoted to more profitable ends. In general it is probable that the value of all livestock producing flocks and herds, while not falling to the extent of sheep, is showing no growth.

As evidence of the general malaise there are indications that institutions and company farmers are finding it impossible to earn worthwhile returns. Apart from the well publicised *offer for sale of Fountain Farm*ing others are finding the going tough. As the chairman of one told me the other day, at modern rents and interest rates large-scale British farming cannot show a worth-while return.

Dairymen have room to improve austere future

BRITISH DAIRY farmers are in a jam. Squeezed between rising costs, stagnant prices and the Common Market's political heavyweights, their pips are beginning to squeak, and they are not going to get much help from anyone.

They certainly cannot expect any worthwhile increase in common prices for milk products at the EEC spring review and they face the virtual certainty of having to pay a relatively large slice of their earnings to the Community in the form of a co-responsibility levy.

While there should be some gains from a devaluation of the green pound, producers will probably have to share the benefits with the distributive industry which is threatened by rising energy costs and the prospect of a hefty increase in milkmen's wages next April. Farmer's own wage bills have recently been increased 21 per cent and the higher minimum lending rate is costing them dear.

Liquid milk sales, the most profitable outlet, are falling, and the earnings "pool" from which dairy farmers are paid is being increasingly diluted by the lower returns obtained from milk used for butter and cheese manufacture.

Fertiliser costs have risen sharply this year, and with more oil price rises expected, further increases in the cost of nitrogen are likely.

Viewed against the background of an average 15 to 20 per cent fall in real agricultural incomes this year, following an 11 per cent drop in 1978, prospects seem gloomy.

There is still, however, some room for farmers to manoeuvre and improve their circumstances if they are prepared and able to change their attitudes and adjust their farming practice the better to cope with a period of austerity.

UK milk producers are over-fond of boasting that they are the most efficient in Europe. Only gradually are they coming to accept that definitions of efficiency vary and that while they may be the tops in terms of efficient use of labour and machinery, their cows yield less milk than Dutch and Danish milkers and that Ireland's low-cost producers make bigger profits. In 1978, gross margins of £900 a hectare in Ireland were more than £200 higher than in England and Wales.

Dairy farmers have grown accustomed lately to tightening their belts, and now they will have to work on tightening their management and polishing up their expertise if they are to survive.

Dr. Robert Bruce, general manager (agriculture) at the Midland Bank, keeps a careful eye on the way his customers run their farms.

Understocked

He claimed recently that over the previous 12 months it had been common for dairy farms to be understocked by as much as 10 per cent. "On nearly all dairy farms it is essential for the cow numbers to be kept at the maximum the buildings will reasonably accommodate," he said.

In a similar vein, he was also concerned about stocking density. He claimed that many farmers over-reacted to the droughts of 1975 and 1976 which desiccated grasslands and left producers short of fresh pasture, hay and silage. The consequence was that farmers reduced the number of cows per acre.

A recent report by ICI on farms regularly monitored by the company showed that the average stocking rate in Britain was 1.67 cows a hectare. In the ICI sample the mean was 2.1 cows.

This difference is one of many which tend to show that there are vast gaps in performance from farm to farm which cannot be attributed wholly to geography, climate, or other factors outside the farmers' control.

Comparing results from ICI's recorded farms with the national picture, Mr. Andy Yates, ICI farm management economist, noted first that cows in the herds monitored by the company produced about 700 litres more per lactation than the UK average.

Even within the relatively small sample studied by the company there were similarly striking differences. Output from the best farms was some £380 a hectare above that on the poorest.

Mr. Yates also stressed the importance of keeping up stocking rates, with the key to success lying in proper management of grass.


Gundelach: heavy taxation planned

The views of such experts are interesting, even heartening for the ambitious farmer wishing to make the best of his land and cows.

But what is this producer to think when in one ear he has bankers and economists urging him on to new peaks of efficiency and production, while in the other he hears the politicians telling him that his marketplace—the EEC—is 20 per cent over-supplied and that the Community has 4.5m too many cows?

Only recently, Mr. Finn Gundelach, EEC Agriculture Commissioner, reminded farmers that because Community milk production has risen further this year, the existing levy on their output is to be trebled from April 1, next year. And he also made public his plans for further heavy taxation on "excess" milk production.

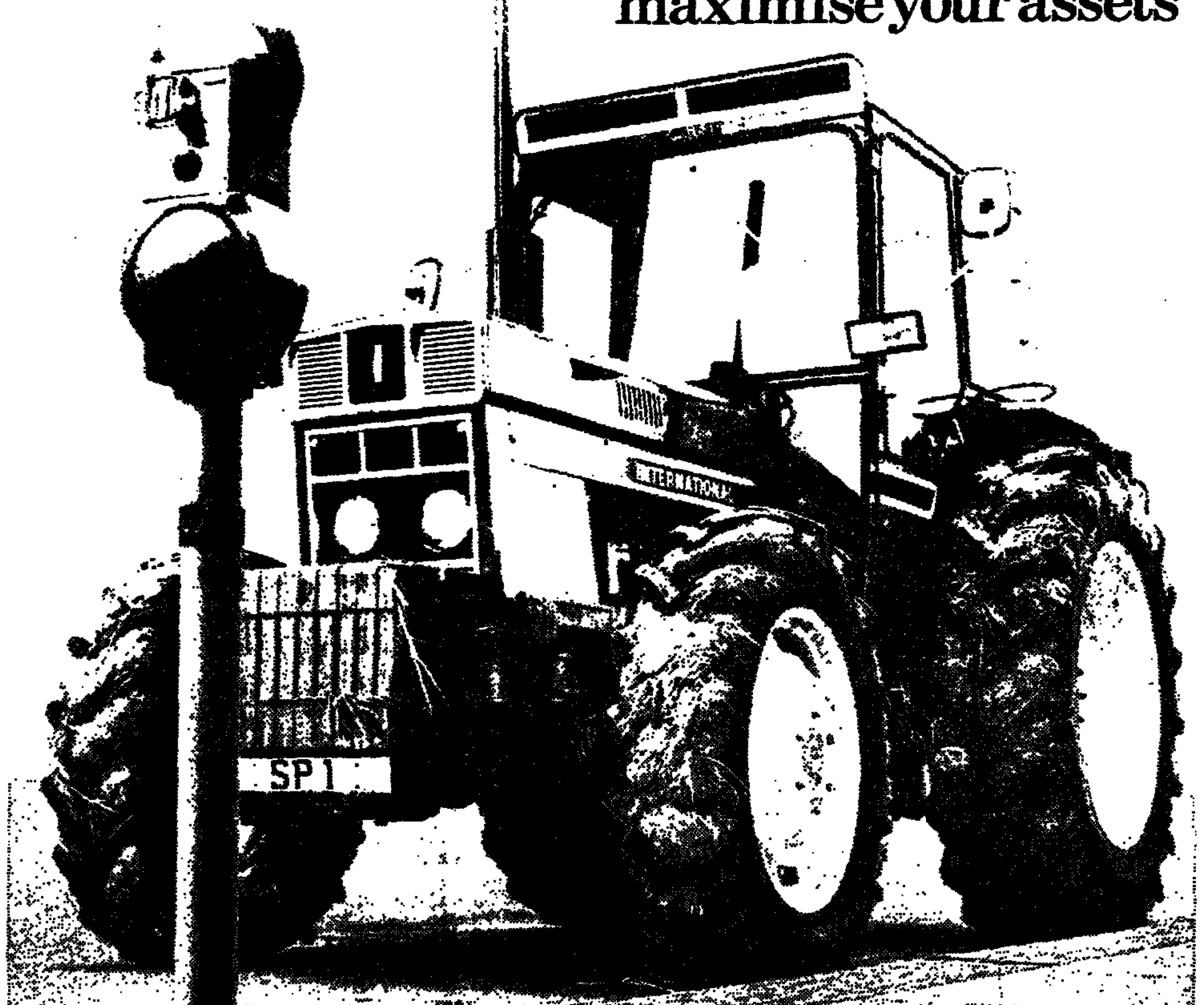
Damaging

While the precise impact of the schemes on British dairying has not yet been worked out, and the proposals have a long way to go before a decision is made on how or even if they are to be put into effect, the doubt and uncertainty they arouse in the farming community is likely to be deeply damaging.

In spite of reassuring noises from the British Government, which claims that the UK dairy industry is a special case, Mr. Gundelach seems set on insisting that since the dairy surplus is a Community problem, the cost of solving it must be borne by the Community as a whole.

The British claims are based on the argument that since the UK does not produce enough milk to cover its needs, it cannot be held responsible for the surpluses from West Germany, France and elsewhere.

Christopher Parkes



Pig profitability tied to pound's strength

BRITAIN'S PIG producers have had a pretty uncomfortable time since the country joined the Common Market. The pigmeat industry has always been highly cyclical. High prices encourage increased production, which in turn depresses prices, leading to reduced production and a new round of price rises. But the operation of the EEC's Common Agricultural Policy has tended to prevent British producers from taking full advantage during the boom periods while offering them little protection when prices are low.

As a result, many UK farmers have been making losses on their pig rearing operations for much of this decade.

To be fair, the fault is not all with the CAP. British farmers have suffered from an unfortunate combination of the EEC's green currency system and the persistent weakness of sterling against other Community currencies.

The EEC's common farm prices are translated into fixed-rate green currencies and monetary Compensatory Amounts (MCAs) are used to adjust for variations in real currency exchange rates in intra-Community trade.

For the pigmeat sector this has meant that for most of the UK's period of membership, bacon has been coming into Britain from strong currency member countries aided by hefty EEC subsidies. When sterling was at its weakest, Danish bacon exporters were receiving over £300 a tonne on shipments to Britain.

Domestic suppliers found this particularly annoying because they felt that the MCAs were overcompensating the exporters for the currency differentials. They claimed the amounts should be based on the imported feed cost content in the pigmeat price instead of the total price.

This complaint was partly answered in April when the EEC Commission agreed to alterations in the method of calculation which cut bacon MCAs by 5-10 per cent.

This process was continued by the dramatic rise in sterling and with the help of two green pound devaluations, MCAs on Danish bacon imports disappeared altogether in mid-August. But this happy situation for UK producers was not to last. Thanks to the renewed weakness of the pound the subsidy is now back up to over £100 a tonne.

The UK fresh pork market is not subject to these problems, however. For the present, disease control restrictions afford domestic suppliers almost total protection from imports. But this cannot last for ever. Britain's effective import ban will come up for consideration in Brussels late this year or early next year and a further extension may not be allowed.

British pork prices have been relatively strong in recent months—much to the consternation of the bacon curers. The average all-pigs price at the time of writing is 89.4p a kilo compared with a low level of 76.4p in the middle of the year. But the National Farmers' Union claims this 17 per cent rise does not spell a boom for pig farmers.

Rule of thumb

The trouble is that feed prices have also risen. As a rule of thumb, the NFU calculates that the ratio between the pig price and the barley price should be 8.5-9.5 to 1 for the industry as a whole to be profitable. Though the ratio is well up from the desperately low level of under 7 to 1 reached in the summer, it is still only 8.06 to 1 compared with 9.05 to 1 at this time last year. "Some pig producers are still losing money," an NFU spokesman said last week.

The producers can probably look forward to improved returns, however, as a new turn in the pig cycle appears to be under way.

The UK Meat and Livestock Commission recently estimated that EEC production of pork and bacon will rise 5 per cent this year to a record 9.75m tonnes while average consumption is up 4.45 per cent to 37.5 kilos a head.

But August census figures show a fall in the community's pig breeding herd which will lead to reduced production early next year. The breeding herd could begin to rise again next spring, MLC says.

While a further rise in the pig price would please farmers, it would be far from welcome to bacon curers who are already losing many of their suppliers to the pork market.

Thanks partly to the efforts of the Meat Promotion Executive, sales of pork in the UK rose 10 per cent to 512,000 tonnes in the first nine months of this year. Over the same period, domestic bacon production fell 2 per cent to 155,000 tonnes.

With pork pig prices running two or three pence a lb above those for bacon pigs, curers have experienced increasing difficulty in getting supplies. Mr. George Cattell, managing director of FMC, Britain's biggest bacon curer with 26 per cent of home production, has said that some processing units may have to be closed temporarily if its farmer-suppliers continue to ignore their contract obligations to the company and sell their pigs on the relatively lucrative pork market.

The bacon market has been somewhat stronger recently, encouraging suppliers to raise their prices to record levels. British and Ulster bacon is now selling on the wholesale market at £1,220 a tonne and Danish is dearer still at £1,240 a tonne.

There are grounds, however, for believing that the profitability of bacon and pork markets will continue to be tied to the performance of sterling against the other EEC currencies.

The community pig herd has risen from 7.8m to 8.8m tonnes since Britain joined the Common Market, but national shares of the increased herd have tended to reflect currency strength.

The Netherlands' share has increased from 10.8 per cent in 1973 to 13.5 per cent, West Germany's from 26.6 per cent to 30.2 per cent, and Denmark's from 12.4 per cent to 13.4 per cent.

Over the same period, the UK share has declined from 13.9 per cent to 10.9 per cent, France's from 16.5 per cent to 13.4 per cent, and Italy's from 10.2 per cent to 9.6 per cent.

The EEC and the foreign exchange markets are not the only enemies of the British pig farmer, however. October, 1978, saw the return of an old enemy—swine vesicular disease. Since then there have been nearly 40 outbreaks and nearly 40,000 pigs have had to be slaughtered.

Farmers are also on the look out for aujesky's disease which is liable to cause abortions among breeding sows.

The threat of aujesky's disease could prove to be a major plank in Britain's case against easing its restrictions on the import of fresh pork, much of which would come from Holland, where the disease is endemic.

Richard Mooney

Fish farming set to grow

MOST PEOPLE now recognise that fish farming is never likely to become a truly major food source. Compared with the immense scale of natural production, the output of the world's fish farmers seems destined to remain a drop in the ocean. However, recent studies suggest that the limitations on the industry's potential have in the past been seriously overstated.

In his report on fish farming to the Agriculture Committee of the European Parliament, Conservative MP John Corrie said this early pessimism could be compared with the widely held belief provoked by the initial efforts of the pioneers of flying machines, that aviation had no future.

This view is supported by a UN Food and Agriculture Organisation forecast that the industry could be providing a quarter of the world's fish supplies by the turn of the century. FAO estimates current world farmed fish output at 5.5m tonnes a year compared with a traditional catch of about 70m tonnes. By the year 2000 it expects the farmers to be producing 45m tonnes while the fishermen are catching 140m.

Modern fish farming originated from experiments at the end of the last century aimed at rearing fish for release into the sea to replenish natural stocks.

It was not until the 1960s that plaice were first raised beyond the larval stage at the Ministry of Agriculture laboratory in Lowestoft. Since then, ever-increasing research and development has enabled the building of an embryo industry which is already making a significant contribution to the supplies of some species.

Many species of fish can now be reared and grown successfully, but economic considerations have so far confined commercial production to a relatively few types. Work is going on in Europe on sea bass, catfish, sea bream, eels and mullet, among others, but in Britain the field has been narrowed to trout, salmon and turbot. At present, however, it is only in trout that the farmers have established themselves as major producers.

Pollution

Researchers at Reading University estimated recently that Britain's 160-odd fish farmers produced 4,782 tonnes of table trout in 1978 and the Ministry of Agriculture expects this total to grow to 15,000 to 20,000 in 1985.

All is not plain sailing for the industry, however. The aspiring fish farmer needs an abundant supply of unpolluted water. If he plans to rear fish in sea cages he must also find a sheltered location with suitable tidal conditions.

He faces a high capital outlay —£1,300 to £2,000 per tonne of annual production—and high feed costs.

Even when he has sorted out these physical and financial problems, the fish farmer will remain at the mercy of nature. In such intensive conditions the threat of total loss through disease is ever-present.

And the returns are not spectacular. The Reading study showed that the average cost of producing trout in the 31 farms covered in its survey was 59.5 pence a lb against an average sale price of 62.5 pence a lb, leaving a modest margin of 3p a lb.

This figure is probably depressed, however, by the small size of many operations—some are little more than hobbies for men who make their real living out of traditional farming.

The larger farms (over 100 tonnes a year) in the Reading survey earned a more respectable 13.6p a pound average return. They produced their fish for 38p a pound and sold them for 51.6p a pound on average.

Mr. Corrie is confident that things will improve, however. The technology is very recent, he pointed out in his report, and there is great scope for cost-cutting improvements.

R.M.

Land cost shows sign of easing as returns fall

THIS DECADE there have been two quite distinct booms in farmland prices, both coinciding with strong interest in this investment medium from institutions and investors outside the normal rural community.

The first began around 1972 and ended two years later. Its hallmark was speculative highly geared purchases by now discredited property "whiz kids."

The second, gathering momentum from about 1976, was more professional. It resulted in the creation of a number of specialist unit trusts and property bonds giving opportunities to smaller pension funds and individuals to take part in the growth of capital values and rents on farms.

Growth there has certainly been. Rents have, in some cases *doubled over the past five years* and capital values have managed even more according to the Ministry of Agriculture's index. In August of this year the farmland index was standing at 222, taking 1973 as the base of 100. In August of 1978 it was at 161. At that level, average prices recorded for farms in the three months to August were £4,371 per hectare.

Slackening

However, there are now distinct signs of slackening in the momentum of price increases: the Ministry's quarterly rolling figures to July showed prices slightly higher than those recorded for the period to *August*.

Figures from Strutt and Parker, a long-established land agency, reveal much the same picture. In August the firm was predicting that the rate of increase in prices was slowing to around 10 per cent per annum compared with a 25 per cent growth rate in the previous six months.

More importantly, the firm was also suggesting by late summer that the low yields concomitant on the high prices being obtained for land might mean that some institutions would be "easing back" on their investments

Since then, Minimum Lending Rate has risen to an unheard of 17 per cent and the yields available from farmland investments, compared with those available in the gilt edged market, look even more out of line. The latest published statistics from the major agricultural unit trusts show average yields on their portfolios of little more than 3 per cent—sometimes less. Yields on gilts are currently at the 15 per cent mark.

The comparisons are not quite fair as the stated yields on farmland are initial *yields at the* point of purchase whereas gilts yields are fixed to redemption by the purchase price.

Over the decade, farm rents have shown a greater appreciation than any other property rents—increases of 25 per cent or more per annum for the past three to four years have been not uncommon.

The crucial point now is whether that momentum can be maintained. Much of the rental increase has come about as a result of the fruition of the EEC's Common Agricultural Policy which has provided a strong and rising base for farm product prices. This, in turn, *has supported working farmers'* ability to absorb high rent reviews every three years.

The CAP, however, is at a watershed. It has overspent its budget at a *time when EEC* officials, member states and parliamentarians are becomingly acutely *aware of costs.* There are indications that extra sums will not be automatically forthcoming to top up the budget. Cost cutting exercises are being undertaken. Milk support prices, in particular, look vulnerable.

For the past few years, farm prices have outstripped farm costs. If that ratio begins to go the other way *as a result of a* degree of parsimony in the EEC support prices, farmers will not *for long accept the sort of rent* increases that have been seen over the period. At that point, *initial yields of 3 per cent would* begin to look even more out of line as discounted rental growth *projections were altered downwards.*

The high current cost of borrowing also looks as if it will discourage farmers from continuing to bid up the market. That is certainly the Government's overall intention in driving MLR to today's level. And, since it is farmers who set prices in the agricultural land market—as so clearly indicated in the Northfield Report of earlier this year—prices could be set for a slide.

Comparison

So far as institutions are concerned, there is yet another factor to be taken into account. For most, agricultural investment is regarded as a property investment and is compared with shops, offices and factories.

If yields on these begin to move up—a prospect already discounted in the sharp slide in *property share prices on the* market—farmland yields could look out of line, not only against gilts, but against other types of property. This could lead to a withdrawal of the institutions from the farmland market at a time when more farms are coming on to the market than usual.

Whether these factors will combine to create a real drop *in farmland prices or merely a* standstill is not clear from the figures and attitudes currently published. But it does look as if the second boom in farmland this decade could be at an end.

There is, however, a major factor which would act to curtail the slide. The farming community and the institutions share an uncommonly long-term approach to their investments. *And on the long term* view, rural land has an inherent and permanent attraction. No *more farmland is being created:* on the contrary, farmland is being lost to suburbia, roads and industrial use each year. Food production is a basic need: self-sufficiency in food production is also a tenet of faith in the EEC.

On this view, farmland is still undervalued even at present record prices and has further to move in the long term. So too, with rents as farmers improve productivity and yields per rented acre.

But this is all long term. The current picture for farming is rather different. When Lord *Northfield* produced his report on the farmland market just after the election, the only basic objection he voiced against the institutions was their increasing tendency to move from owning tenanted farms to taking on the farming role themselves.

Lord Northfield suggested that this tendency be subject to monitoring and advised the institutions to minimise it. It now looks as if his warnings will not be needed. The economic realities of in-hand farming for commercial institutions are beginning to prove disillusioning.

Christine Moir

Price rises put egg producers in profit

FOR THE first time in nearly two years, egg producers are at last making money. The latest round of price increases has finally resulted in returns actually exceeding the cost of production, but *it has been a* long, hard struggle for the industry.

The most notable casualty was the Eastwood group, pioneer of the mass production *of eggs and broilers,* that was forced into a take-over by the Imperial group mainly because of losses on eggs. The group is claimed to have expanded its production capacity in excess of the amount it was able to sell.

Subsequently, since its takeover by Imperial the Daylay group, as it is now known, has antagonised other producers by following an aggressive sales *policy that has totally disrupted the previous pattern of trade.*

In a bid to boost sales the group has extended its marketing activities from supplying major supermarket outlets to *wholesale and smaller* retail shops, offering competitive prices that have depressed the whole market. Losses suffered by the group are estimated to have reached nearly £10m during the past year, and the industry is apprehensive that *until the problems are sorted* out the market will continue to be disrupted.

Otherwise the outlook for producers is far more favourable than it has been for some time. Sharp cuts in chick placings during the past two years have finally cut the surplus of supplies overhanging the market previously and allowed *prices to be raised to* economic levels.

Restraints

But apart from the Daylay problems there are other restraints on prices rising too *much further, despite the reduction* in supplies.

One is that the cutback in chick placings has been offset to some extent by "forced moulting"—a technique developed by producers to increase the amount of eggs laid by the hens by introducing artificial lighting conditions to lengthen the normal laying period.

Another is that one member of the Community—Holland—has increased rather than *reduced chick placings so the* threat of imports from that source has grown, especially if *prices go up.*

There has been a big jump in egg imports from the EEC this year, but the UK industry can hardly complain—although it tried to at one stage—since its exports have expanded considerably too and they far exceed imports.

This means that there is a sizeable potential capacity for increasing domestic supplies simply by cutting back on exports that are usually sold at very competitive prices.

Finally there is the fact that despite the relatively cheap *price of eggs, compared* with other forms of protein, per capita consumption in the UK *has fallen quite heavily during* the past 10 years.

The industry is not quite certain why. *One simple explanation* is that the modern housewife, rushing out to work, is not prepared to make the traditional English breakfast of bacon and eggs. The holiday bed and breakfast trade has also declined. At the same time there is far more competition from a much bigger range of foodstuffs, especially the easily prepared and served convenience foods.

The Eggs Authority has stepped up its generic advertising campaign over recent years, but has been hampered by the reluctance of the industry to contribute sufficient funds. Encouragement is being given to producers themselves to publicise the value of eggs generally, *as well as individual* brand names, by offering them part-payment, up to a third of the total cost, in advertising campaigns that include the Authority's promotional message.

Goldenlay, the marketing consortium that claims to supply about 50 per cent of the High Street sales, has recently launched a new campaign to promote sales.

The conception, which [illegible]

It's thought [illegible] the decline of egg consumption is to be halted, they will have to be more [illegible] the past. With the supply/demand situation much healthier the industry should be in a stronger position to do so.

Ironically the chicken broiler trade seems to be moving in the opposite direction and has been decided to suspend generic advertising of chickens for the time being. The official reason is that this is a tactical manoeuvre to suspend publicity at a time when imports, mainly from Holland, are rising.

A more likely explanation is that the number of producers not supplying funds for the generic campaigns has risen to some 20 per cent, and the remainder see *no reason why they* should provide them with free advertise support.

In fact the need to advertise is none too great at present. Chicken prices have risen quite favourably for producers, but sales have been maintained since it is still very competitive with other meats. Although there will inevitably be setbacks, the view is that chicken will continue to expand sales at the expense of other meats—albeit more slowly than in the past — especially while the present world beef shortage *continues.*

Cheapness

Nevertheless, the need to economise on food should be of benefit to chicken sales overall, bearing in mind its relative cheapness.

Turkey producers have enjoyed a very successful year. The sale of whole birds via retailers is fairly stagnant at between 17m and 18m annually, with the bulk of around 11m birds still being sold over the Christmas and New Year holiday period despite the success in expanding turkey sales at other public holidays.

However, the success story of the year for turkey producers has been the achievement of a big leap forward in expanding sales of cut-up turkey portions and processed products. These have jumped this year to the equivalent of over 2.5m large-size turkeys compared with 1.6m last year.

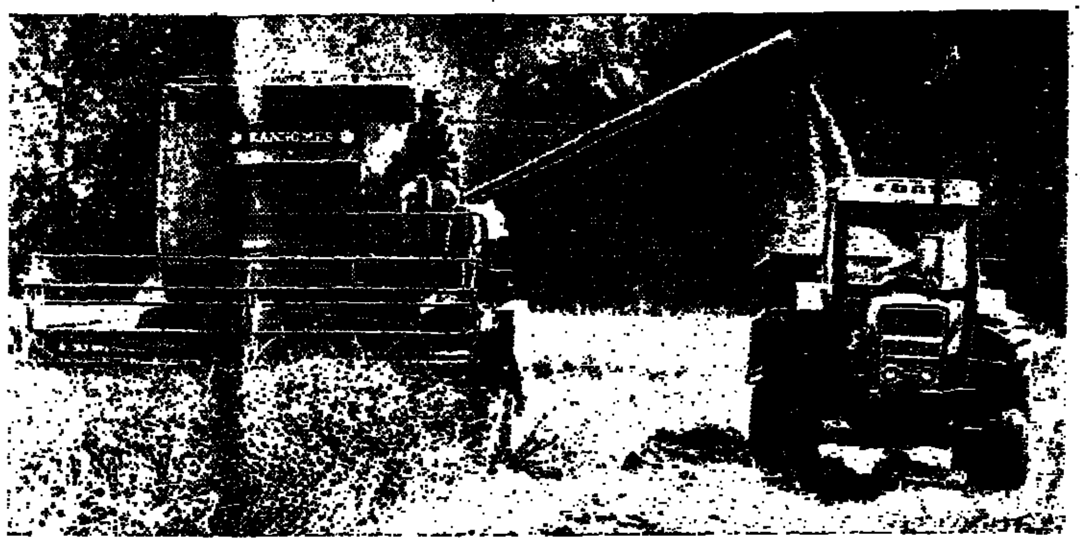
The point is that the cut-up *portions*, like *wings and drumsticks*, and a whole range of processed products—like turkey *ham, sausage rolls, roasts and* slicing meats—are expanding into an entirely new sector for the industry.

They are competing with the range of added-value meats, like rolled beef, ham, corned beef and even sausages, so any *sales gains made are a bonus* to the industry allowing continued expansion.

John Edwards

AGRICULTURE IV

New methods put cereal yield up by a third



End of the cycle: harvesting on a Wiltshire farm

CEREAL GROWING has undergone what can only be described as a mini-revolution during the decade. From being a crop which was planted, sprayed for weeds and then forgotten until harvest, it has come to be carefully nurtured, fed with precise quantities and grades of nutrients and treated with an incredible number of chemicals to control disease. Where the new techniques have been employed efficiently, cereals have become the most consistent profit earner on extensive arable farms.

The so-called "systems" approach to cereal growing has resulted in yield increases over a few years which have raised the national average by a third and on individual farms to twice what they were in the 1960s.

A growing realisation that the most outstanding yield improvements were possible with autumn sown cereals of both wheat and barley as compared with spring drillings has led to a massive increase in winter varieties. Some cereal seed houses in fact are reported to be doing up to 85 per cent of their annual business during September and October. Clearly this creates almost intolerable labour peaks for such companies and leaves them virtually unemployed for the rest of the year. [illegible] demand from [illegible] have to [illegible]

These same seed companies [illegible] their own [illegible] by introducing numbers [illegible]. The introduction of plant breeders royalties a [illegible] years ago, enabling breeders to benefit from their work as never before, encouraged this trend. It takes several generations of trials and multiplication to produce a marketable variety in economic quantities and the past few [illegible] have seen a great many introductions by seedsmen [illegible] probably began [illegible] royalties were first introduced.

[illegible] of the new varieties [illegible] already show [illegible] significant yield and/or [illegible] benefits over older [illegible].

A great many more, however, seem to hang around for a few years then sink without trace because of susceptibility to a specific strain of yellow rust, or perhaps because they show no real advantage over those already established. Either way there is now a confusion of varieties for farmers to choose from and it would not be too much of an exaggeration to suggest that on many farms the choice is made with a pin.

Credit

New varieties apart, a great deal of the credit for the new precision approach to cereal growing can be traced directly to the Continent. Long before such methods were adopted in Britain, pioneers like Professor Laloux of Gembloux University in Belgium and groups of academics and farmers in the Schleswig Holstein area of Germany were perfecting techniques suited specifically to the conditions in those areas. British farmers and advisers have since adapted their methods to UK conditions but it is no coincidence that the ideas originated from Europe or that they did so almost immediately after the birth of the Common Market.

The intervention system for cereals, which was always an integral part of the Common Agricultural Policy, provided a secure floor to the market. The intervention price for cereals, unlike that for some other commodities, has always been high enough to enable efficient growers selling into intervention to show a profit. In the case of farmers on some of Europe's best arable land in places like the Paris basin, the Dutch polders and so on, it almost guaranteed very handsome profits indeed.

In short, the cereal growers of Europe had more to go for and the cash to finance them while they went. It was only when Britain joined the EEC and that same intervention system applied here, albeit at a lower level, that the incentive for British farmers to go for high-input, high-yield systems materialised.

As with so may other commodities in Europe, cereals are in surplus, although not as embarrassingly so as milk and sugar.

World markets have little difficulty in absorbing the EEC surplus at present since there is a marginal shortfall following another poor harvest in Russia. But as world prices are so much lower than European intervention levels, disposal on to world markets involves sizeable losses to the Common Agricultural Fund. And that Fund, we are told, has recently run out of money.

Further significant price increases for cereals in future European farm price reviews therefore look increasingly remote and since livestock farming is also suffering in many EEC countries, demand for feed-stuffs is unlikely to increase. It seems probable therefore that the cereal sector could be heading for its first squeeze for some years.

Growers need not be too despondent, however, since their type of farming lends itself to economies more than almost any other. Recent calculations published by ADAS indicate that the direct drilling of cereals, without the use of ploughs or conventional cultivations, can effect savings of up to £8 per acre. And because the system is faster and allows more winter cereals to be planted it can lead to an extra £24 per acre return over, say, spring barley.

Output per man hour can be increased 400 per cent to 500 per cent and the cost of running machinery reduced to one fifth of that for conventional methods. So even when fuel costs rise again, as they surely will, the specialist cereal grower should be able to absorb the increase better than most.

David Richardson

Beet quota to be cut next year

[illegible] EEC Commission [illegible] approved proposals [illegible] production [illegible] Community it should [illegible] no surprise to [illegible] processors of sugar beet. Rumours of such a [illegible] rife for months, [illegible] by regular references from Commission spokesmen to the 2m tonnes surplus of sugar within the Community. Clearly an attempt would be made to reduce the surplus when five-year production allocations were being negotiated, to take effect from January 1980.

The very existence of a quota system to control production, which makes sugar an almost unique commodity within the Community, should on the face of it make it relatively easy to make production, together with African, Caribbean and Pacific imports, match demand. In the event the Commission has apparently bowed to political pressure from the more powerful beet-growing countries and has conceded that its proposals, if implemented, would only reduce the surplus by one-third to 2m tonnes.

The Council of Ministers has yet to decide on sugar policy, but if past experience is any guide they will probably dilute the cuts still further. Meanwhile the Commission's proposals, as they stand, would penalise Britain more than most, with a full 10 per cent cut of our A quota and the elimination of our lower priced B quota altogether.

It must be admitted, however, that loss of the B quota would be almost academic because British Sugar factories have never yet produced any in that category. Indeed failure to fulfil our 1.04m tonne A quota over the last five years has left Britain vulnerable to just the kind of proposals now on the table.

It is ironic therefore that this autumn British beet growers seem set to harvest a crop which will almost certainly fulfil our A quota and may just spill over into B quota for the first time. The weight of roots currently being lifted and processed are only average, but a record acreage together with higher than usual sugar content makes this a feasible proposition.

Almost ideal weather and soil conditions have meant a smooth and trouble-free beet harvest for most growers so far. And the price per tonne paid by British Sugar, enhanced by the high sugar percentages, has made this one of the most satisfactory seasons for sugar beet farmers for years.

It is all the more frustrating for them therefore to know that next year they could be faced with cuts to their contract acreage, although this probability has been softened a little by the unpalatable announcement by British Sugar that the so-called "consolidated" price for beet grown in 1980 would be cut by £1.11 per tonne.

Some county NFU branches have in fact threatened not to sign next year's contracts because they say that it is a scandal to cut the price while growing costs are inflating. British Sugar claims on the other hand to be able to justify the cuts because of increasing fuel costs. In particular the cost of drying the main by-product—sugar beet pulp—has rocketed, it says, and since it has to be sold to stock farmers at prices which reflect its feeding value against that of cereals, this extra cost cannot be passed on.

Unrest

So in the middle of an otherwise ideal season unrest is growing in the sugar beet areas. Not least among the worries is the way British Sugar might decide to impose quota cuts, should they be confirmed in Brussels. The well-publicised threat of closure for eight of British Sugar's factories would seem on the face of it a somewhat over-dramatic reaction to the Commission's proposals. Nevertheless, it is well known that at least £120m of the corporation's £150m modernisation programme has been spent on nine factories, and the majority of that on just five. It would be reasonable to suppose, therefore, that any cuts are likely to be concentrated on the unmodernised plants and that others, some of which are now said to be better equipped than any other sugar factories in Europe, will be worked as near as possible to capacity.

Meanwhile the makers of isoglucose, a liquid sweetener derived from maize starch, have also been subject to quotas since last July. Six factories sited in five Common Market countries have between them an A quota entitlement to produce 138,819 tonnes plus 27½ per cent of B quota on which EEC levies are charged. Britain's sole factory, incidentally one-third owned by Tate and Lyle, has been allocated an A quota of 27,862 tonnes within the total.

Isoglucose is interchangeable with liquid sugar for such uses as soft drink sweeteners and it can be sold profitably at £10 per tonne less than its sugar-based equivalent. Predictably therefore, manufacturers resent the restriction quotas impose on their activities. They believe that in a free market isoglucose would capture a growing proportion of the industrial sugar demand and they foresee the quota system freezing their technical and marketing development.

Sugar beet growers and processors on the other hand can take some comfort in the current limitation of competitive production.

In contrast, most of the European potato crop, still without an EEC regulation to control it, is almost free of restrictions. Growers are allowed to plant whatever they choose and with the removal of the ban on main-crop imports into Britain earlier this year potatoes can move freely between member countries. The exception of course is in Britain itself, where the Potato Marketing Board (PMB) still keeps control of the acreage and the Government in return agrees to underwrite a minimum price.

The only marketing in which the board involves itself is usually restricted to stock feed potatoes in years of surplus. Nevertheless its activities of buying and holding stocks when prices fall have had a stabilising effect on prices to the benefit of growers, consumers and the Government, by limiting its commitment to bring average prices up to the guarantee.

How much longer the British Government can be persuaded to support the crop in the absence of an EEC potato regime must be open to question. Proposals to set up a Brussels-based intervention system have been discussed for years but seem no nearer conclusion. Indeed in the present cost-cutting climate the prospects look if anything more remote than ever.

Meanwhile the PMB consoles itself with a recent statement by Mr. Peter Walker, Minister of Agriculture, in which he stated his intention that the Board should continue in existence under any Community regime, play a central role in market support and have "other relevant functions"—whatever that may mean.

And potato growers can thank the accident of geography which placed the North Sea between Britain and the rest of Europe. It currently costs £25 to £30 to ship a tonne of potatoes across that piece of water, which should insure Britain against at least the most blatant Dutch dumping.

D.R.

AGRICULTURE V

Machinery sales fall as belts are tightened

A REFLECTION of the present malaise in British farming is that the farm machinery industry, in both manufacturing and distribution, is having a difficult time. The problems of the major manufacturers, of which Massey Ferguson is the best documented, stem from a probable overcapacity based on the good years in the early seventies. This is proving a burden now that recession is on the horizon.

The difficulties are probably world-wide. The oil crisis raised questions of the economics of using oil-based energy, and farmers' classical reaction to any sort of financial squeeze is to stop spending money and make do. This should not be too difficult for them because in Europe in general farming has been largely re-equipped in the 1970s. Being as good as it is, modern machinery could last a number of years before it loses its efficiency.

The energy crisis has not made tractors in any way superfluous. There is no real alternative as a means of working the ground, but that said there are ways of minimising cultivations which ensure that machinery is not worked as hard and as continuously as used to be the case a few years ago.

In Britain farmers celebrated the improvements in their returns which followed Common Market membership, especially in the arable sector, by going in for very widespread re-equipment. Because most of them were working on low historic costs they showed good profits, and in order to take advantage of the 100 per cent depreciation allowances, they renewed their equipment far more often than was really necessary.

Manufacturers and dealers were not slow to take advantage of this and prices rose dramatically. But the real cost of re-equipment was masked by the very high prices dealers were able to give for machinery taken in part-exchange. This was supported by a good export trade for second-hand tractors and combines, mainly to European countries but also to markets as far away as New Zealand.

This export market has now disappeared. It was already becoming saturated, and the strength of sterling has, by all accounts, given it the *coup de grace*. The part-exchange situation is now so bad that dealers are refusing to take in any more machinery except at derisory prices, and discounting is now widespread on almost all types of new machinery.

It used to be claimed that one of the advantages of a strong home agriculture in Britain was that it provided a base for a sizeable export of farm machines. It would appear though that the multinational farm machinery industry, mainly North American, came to be based here as much as it was for reasons that had more to do with Commonwealth entry and political stability than farming considerations.

All the major tractor manufacturers based here, with the exception of BL, are multinational, and while they are large-scale exporters they are importers too. Massey Ferguson, for instance, is ceasing combine harvester production here but will import machines from France. In fact Ransomes, the only indigenous combine manufacturer, ceased production some five years ago, just when its products appeared to be making some headway in the market.

In money terms the total farm machinery export trade is still showing a good trade balance, but this needs qualifying. Tractors show an increase for the period January/September this year over the corresponding period last year of some 9.8 per cent, hardly enough to meet the rate of inflation and likely to mean a decrease in actual volume.

Agricultural machinery exports are showing a fall of 1.4 per cent while imports are still rising. Trade is now in balance. This is a worrying trend as it shows that some national production is losing out. Some blame for this is being levelled at cut-price imports from certain East European countries, imports at present largely restricted to tractors but with other machines making headway. But there is no doubt too that in the area of arable farm machinery some EEC manufacturers are gaining ground. This is a reflection of the very strong home market there is in countries like France and Germany.

This apparent overall decline in export potential of the farm machinery industry, illustrates the importance of the efforts of the British Agricultural Export Council in trying to raise exports by the farming industry itself. It is doubtful if they will ever even approach that of the machinery section, but useful progress is being made in specialised sections like management systems and livestock.

Finally, though, it must be understood that the agricultural machinery industry in Europe is now well integrated into Community farming. Britain, in terms of agricultural production, is third or even fourth in the Community after France and Germany and the present evolution of the industry appears to be reflecting this.

UK TRADE BALANCE (£m)

	Jan.-Sept. 1978	Jan.-Sept. 1979	% change
EXPORTS			
Agricultural machinery	132.1	130.2	− 1.4
Tractors	282.9	310.6	+ 9.8
Tractor engines	63.7	63.0	− 1.1
Total	478.7	503.8	+ 5.2
IMPORTS			
Agricultural machinery	112.6	126.1	+ 12.0
Tractors	56.4	59.7	+ 5.9
Tractor engines	18.9	19.8	+ 4.8
Total	187.9	205.6	+ 9.4
BALANCE OF TRADE			
Agricultural machinery	19.5	4.1	
Tractors	226.5	250.9	
Tractor engines	44.8	43.2	
Total	290.8	298.2	+ 2.5

N.B.: No statistics available for parts and accessories for tractors. DoI estimate for nine months' exports £303m, imports £136m; balance £167m.

John Cherrington

Wise men look at market faults

BRITISH FARMERS' marketing problems have been one of the first concerns of every new Minister of Agriculture.

Mr. Peter Walker has proved no exception, and he proposed an alternative to the inquiry suggested by his predecessor, Mr. John Silkin. This was the application of five lively minds in trade and economics whose brief was to look at the whole spectrum of marketing and report directly to him with suggestions.

It is quite possible that the lively minds will come up with the causes of the problems, but whether they will find any solutions is open to question. The ground has all been thoroughly researched before. The first I remember was the inquiry into the milk trade in 1931. This came up with the solution that milk should be handled by a milk marketing board, brought into being by a vote of two-thirds of the dairy farmers.

The Milk Marketing Board is a monopoly, controlled by dairy farmers, which handles milk from the farm gate to the wholesale stage, and which controls about 70 per cent of the manufacturing capacity as well since the Unigate factories were purchased in the summer. The Milk Board did come under attack from the EEC as being a monopoly, but has in the end been welcomed into the Community camp, principally because without its firm grip on the liquid market, the milk surplus problems would be very much worse than they are.

Several other boards have either been suggested or formed since then, but the only ones to have kept their powers up to now have been the Wool Marketing Board and the Hops Board. The Wool Board buys all farmers wool, grades it, and sells it to the best advantage. There is a guaranteed price for wool, and the Treasury shares the profit and the loss of supporting it with the board.

The Hops Board controls the acreage, and the sales of hops, but this is a minority interest and it is difficult to see a sensible alternative to it.

This leaves a very wide spectrum of products whose market is free, and also to some extent subject to competition from EEC member States and third countries. Britain is in fact a terminal market, and this factor makes any orderly organisation of markets very difficult indeed.

When selling livestock, farmers are at the mercy of market forces which have always governed prices. When supplies are plentiful it is very difficult to secure a worthwhile premium for really good quality produce.

But when the market is short, almost anything sells at a good price, regardless of grade. This has been a factor in the destruction of many rather idealistic schemes for improved marketing. Bacon curers, for instance, are always at risk from a good trade for fresh pork. Farmers see the high prices that pigs are making on the livestock markets and take advantage of them to the detriment of bacon factories' throughput, even though they have contracted supplies to them.

This may be an indictment of farmers' commercial morality, but it is very difficult to blame farmers for this when they think the curers do not raise their prices to match the market. In Denmark, the main competitor for bacon, farmers do not have the chance to sell away from the factory as all pigs have to go through the various co-operatives.

Special case

Pigs are a special case because no more than 10 per cent are sold in the open markets, the balance being sold by deadweight. Nevertheless, open market prices set the deadweight price. It is possible that some acceptable pricing system could be developed for pigs, as it already has been for broilers, if the live markets contracted further.

Nothing like this is likely to happen for sheep and cattle, of which rather more than half are sold through the markets. Farmers selling through them have the option of taking the animals home if they do not like the prices, which they cannot do if they are sold to the slaughter house for immediate death.

Auction prices do determine prices paid by deadweight, but at present, prices are governed by supply and demand, supported by whatever guarantees are current at the time.

This makes it impossible to fix prices any distance ahead without some form of guarantee. But unlike pigs, cattle and sheep can in general be held off the markets for a short time. Their selling period cannot be fixed with fine accuracy because their development is subject to weather conditions.

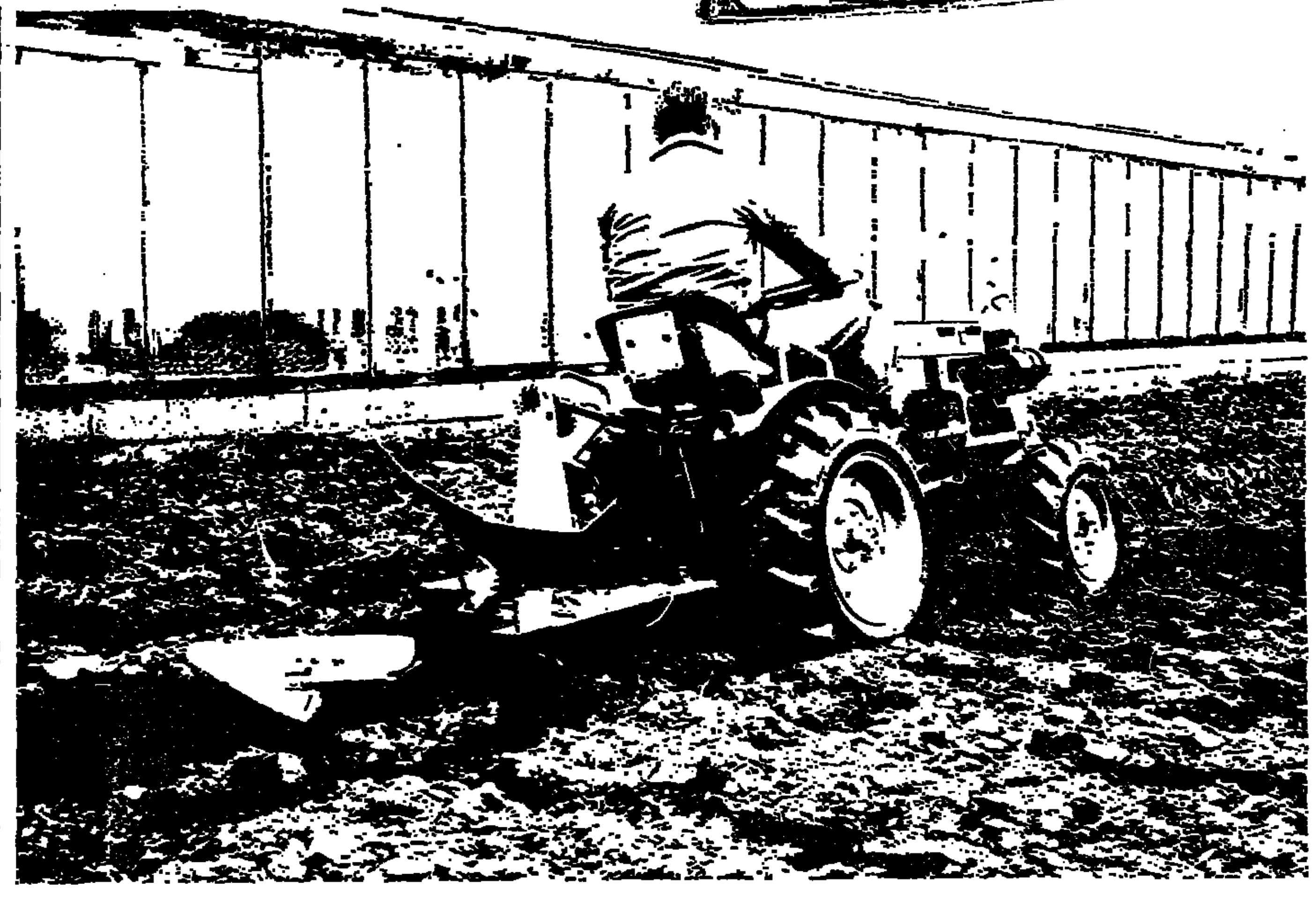
Grain marketing is much on the lines of livestock. Prices are subject to market conditions, and again quality varies with the seasons, and the premiums according to the state of the market.

The premium on malting barley last year for instance was about £10 a tonne over feed price. This year it has dropped to £3, or even less, simply because the harvest was of much better quality. The same variability can be found in wheat.

This factor induces farmers to grow for quantity rather than quality, because the lower quality grains yield very much better than those of better quality and there is not enough guarantee of a premium to make farmers change.

The imperfections of British farm marketing are easily demonstrable. Their cure could lie with the customer offering a price which would attract supplies on a regular basis. But because this is probably impossible, there should be more appreciation of the farmers' dilemma when facing the market without the umbrella of a body like the Milk Marketing Board to protect him—something he has never been allowed.

J.C.



LONDON STOCK EXCHANGE

Equities rise for third successive day helped by BP
Short Gilts up in anticipation of tap stock exhaustion

Account Dealing Dates

Options

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 19	Dec. 6	Dec. 7	Dec. 17
Dec. 10	Dec. 20	Dec 27	Jan. 7
Dec. 28	Jan. 10	Jan. 11	Jan. 21

* "New time" dealings may take place from 9.30 am two business days earlier.

The upward momentum in leading equities was maintained yesterday for the third successive session despite the Chancellor's warning that higher taxation would have to be considered if wage settlements in the public sector continued to accelerate. Short-dated Gilt-edged securities also went ahead on strengthening convictions that the authorities' supply of the recently-issued near-short tap stock would soon be exhausted, perhaps today.

Contemplating the effects of the level of some recent wage awards, the pending ballot on the miners' claim and the drab outlook for the economy, stock markets turned uncertain within an hour of the opening. Before noon, however, the pace of business increased on the appearance of selective institutional demand attributed to the investment of life insurance funds for year-end valuations.

Soon afterwards, third-quarter results from British Petroleum in excess of the most optimistic market estimates gave sentiment a fillip and promoted additional trade. Leading shares thus moved higher to close at the day's best and the FT 30-share index, after registering a rise of only 0.3 at 11 am, closed six points up for a three-day gain of 15.8 to 422.9.

The recent dominance of secondary stocks in the Oil sector was broken by increased activity in BP before and after announcement of the nine-month figures. BP rose to 390p prior to settling 8 up on balance at 386p, while the partly-paid shares jumped 10 to close at 182p, the highest since the shares were issued less than two weeks ago at 150p.

Interest in Gilt-edged centred on the near-short tap stock, Treasury 15 per cent 1985; the Government broker supplied more stock at 98 and then withdrew, leaving the market to assume that a successful bid of 98¼ today might see the issue exhausted. On thoughts of being unhindered by a tap stock, short-dated issues benefited most and closed with gains stretching to ⅜. The longs regained small early losses and, after being unchanged for most of the session, tended better late in the day.

Persisting takeover rumours continued to spark an active Traded options business in Consolidated Gold Fields which recorded 418 trades out of a total of 901, the CGF January 360 series being well to the fore with 261 deals.

Royal Bk. Scotland up

A quietly firm banking sector was featured by Royal Bank of Scotland which closed 2 better at 80p, after 81p, in response to the better-than-expected preliminary profits. Elsewhere, Barclays rose 5 to 405p as did Midland and NatWest to the common level of 330p, while Lloyds edged forward 2 to 280p. Demand in a thin market prompted a rise of 6 to 160p in Arbuthnot Latham, while London Scottish Finance put on 3 to 51p following renewed speculative support.

Closing gains in Insurances ranged to 8, Willis Faber ending that much higher at 210p. Phoenix rose 4 to 212p; the third-quarter figures are due next Wednesday.

Breweries continued to attract a fair amount of support. Allied were active and rose 1½ to 80½p, while Whitbread added 3 to 135p. Ahead of preliminary results, due next Wednesday, Bass hardened 1 to 209p. Burtonwood firmed 2 to 237p after the increased interim profits and dividend, while Wolverhampton and Dudley, annual results next Tuesday, rose a like amount to 287p. Morland continued to respond to the chairman's encouraging review and hardened a penny to 83p, while Davenport's attracted option business and closed 2 better at 134p. Distilleries were again helped by impending price rises, Invergordon, 187p, and Tomatin, 173p adding 4 and 5 respectively with Distillers putting on a couple of pence to 222p. Takeover speculation continued to bolster Highland, 2 up at 101p, after 103p, and Luis Gordon, 3 better at 45p.

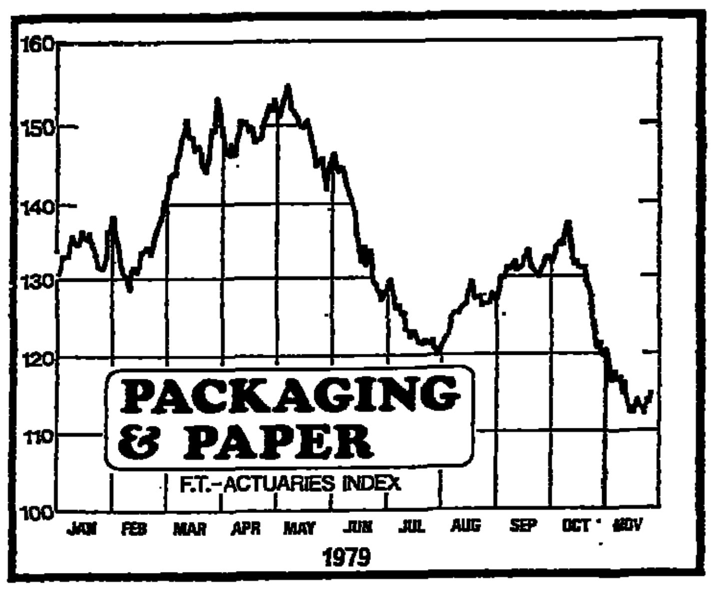
Tunnel B featured Building descriptions with a gain of 20 to 308p in response to half-yearly profits that exceeded market estimates. Blue Circle, at 240p, and Ready Mixed Concrete, at 132p, added 6 and 4 respectively in sympathy. Tarmac attracted buyers and firmed 8 to 197p and BPB added 3 for a two-day gain of 14 to 160p, the latter on consideration of the excellent interim results. Other firm spots included Marley, 4 better at 78p, Leyland Paint, 3 to the good at 47p, and Brown and Jackson, 5 higher at 185p.

A few coppers easier at first, ICI picked up on the favourable third-quarter figures from British Petroleum and finished a net 5 higher at 363p. Among other Chemicals, a speculative flurry lifted Allied Colloids to 135p before profit-taking left the close 5 higher on balance at 130p. Plysu attracted a little support and added 4 to 91p.

Gussies good

A Press prediction that the company will report record half-yearly figures next week buoyed Gussies A which improved steadily to feature Stores with a rise of 12 at 352p. The recent enfranchisement proposals continued to bolster Burton issues as the ordinary put on 2 afresh to 258p, the A rose 4 further to 230p and the Warrants gained 6 to 78p. Speculation concerning the possible sale of its Harvey Nichols store in Knightsbridge helped Debenhams improve 2 more to 67p, while similar rises were seen in Mothercare, 176p, and UDS, 73p. Buying in a thin market was responsible for the rise of 16 to 232p in Lee Cooper, while Crampborn, dealt in under Special Rule, were favoured again and finished 28 to the good at 425p. Grattan Warehouses rose 6 to 110p on revived bid hopes and Comet Radiovision improved 2 for a two-day rise of 12 at 140p on further consideration of the results and proposed 50 per cent scrip-issue. Kitchen Queen put on 3 to 46p as did Dixons, to 94p. A firm market of late ahead of the figures, Wearwell ran back 2½ to 45½p, after 46p, following details of the proposed £2m rights issue which accompanies the sharply higher first-half profits. B. and Q. Retail lost 4 to 83p on profit-taking. Speculative support was again forthcoming for Stylo Shoes and the close was 13 higher at 195p.

Selected secondary Electricals met further demand. Kode were again prominent at 212p, up 14, while Unitech put on 12 to 216p. Wholesale Fitting moved up 20 more to 420p in an extremely thin market. Automated Security gained 10 to 205p, while United Scientific, 332p, and Farnell, 222p, both improved around 8. H. Wigfall, however, closed only 3 higher at 208p, after an early flurry of buying activity had taken the price to 220p. Muirhead opened lower at 250p before ending 8 off on balance at 257p, following overnight news of the delay in the annual results due to a fire at an important precision rotating components subcontractor in Portugal. Apart from GEC, which edged up 5 to 342p, little of note developed in the leaders.



The Engineering leaders edged a shade higher in extremely quiet trading with closing gains of a few pence being marked against GKN, 241p, Hawker, 162p, and Tubes, 264p. Elsewhere, 600 Group moved up 4 to 57p in response to the better-than-expected half-yearly statement, while comment on the interim results prompted renewed firmness in B. Elliott which gained 3 more to 215p. Demand in a restricted market lifted ML Holdings 7 to 180p. Matthew Hall improved 4 further to 150p on continued scattered demand, while smaller-priced issues to make headway included British Northrop, 23p, and RCF, 26p, both up 2. Satisfactory annual results left United Wire 1½ dearer at 48½p. On the other hand, James Neill eased 3 to a low for the year of 49p along with Renold, 2 cheaper at 80p.

A.B. Foods added 3 to 82p and RHM firmed 2 to 44p ahead of next Monday's bread price increases. Unigate improved 2 to 108p and Cadbury Schweppes hardened a penny to 56½p, while Tate and Lyle put on 3 to 162p. Carr's Milling, at 73p, up 5, reflected speculative support, while Cullens A added 2 to 132p following satisfactory interim results. A fair amount of interest was shown in Grand Metropolitan which added 2 to 130p, after 131p, in Hotels and Caterers.

Turner & Newall firm

Reports that a settlement in the Rhodesian talks was imminent prompted firmness in shares of those companies with interest in the area, Turner and Newall touched 122p before closing 4 higher on balance at 121p and Stocklake edged forward 2 to 102p. Elsewhere in miscellaneous industrials, Pilkington Bros. rose 4 to 249p ahead of next Wednesday's interim results while similar gains were recorded in Metal Box, 244p, and Reckitt and Colman, 188p. Higher annual earnings gave a fillip to Hay's Wharf which edged 5 better at 110p, while Hargreaves gained 3 to 52p following favourable interim figures. Renewed investment demand lifted Sothebys 10 to 385p and Diploma Investments 8 to 340p, while ICL closed 13 to the good at 425p. BTR put on 7 to 285p and Smiths Industries 5 to 106p, while Valor revived with a rise of 4½ to 64½p. Comment on the poor results prompted a further fall of a penny to 31p in "W" Ribbons and Johnson and Barnes eased a fraction to a 1979 low of 6p on the half-year deficit. Crosby Spring Interiors eased a penny to 17p in reaction to the lower mid-term results and Renwick at 60p, lost 3 of the previous day's rise of 5 which followed favourable interim figures. Still soured by the recent disappointing first-half results, Alfred Dunhill lost 5 to 315p.

News that a second director had appeared in court accused of conspiracy to pevert the course of justice further depressed Coral Leisure which dropped 5½ to 56½p for a fall of 14½ on the week so far. Grampian A gave up 2 for a two-day fall of 4 to 21p on the sharply lower half-yearly profits.

Lucas attracted late support and rose 6 more to 222p, but other Motor Component counters were again idle and closed around the overnight positions. Selected Distributors made useful headway, Caffyns, 132p, and T. C. Harrison, 65p rising 3 apiece with Arlington and Hartwells both adding 2 to 96p and 66p respectively. Press comment highlighting the company's proposed oil deals lifted Heron 1½ to 38p, but the cutback in production for the U.S. left Group Lotus 2 cheaper at 32p.

Newspapers encountered limited support and closed with modest rises. Associated, 248p, Daily Mail A, 430p, and News International, 143p, all rose around 3, while International Thomson put on 7 to 390p and United improved 5 to 353p. Gordon and Gotch held at 90p following the mid-term statement.

Properties made limited progress in sympathy with short-dated gilts, but trade did not amount to much. Among the leaders, MEPC were notable for a gain of 4 at 162p, while Land Securities hardened 3 to 256p. Hammerson A, a particularly dull market of late on the proposed rights issue, recovered 10 to 660p. Elsewhere Estates and Agency put on 8 to 102p as Jewellmaid's 82½p cash per share offer for the company closed after only 0.2 per cent acceptances. The improved interim performance prompted a gain of 6 to 120p in Property and Reversionary. North British Property also added 6, to 129p, as the Board's forecast of a marked increase in profits outweighed news that Sun Life's 24 per cent stake in the company was for investment purposes only.

BP good

Third-quarter results above the top range of estimates took British Petroleum to 390p before settling at 386p, up 8, while the partly-paid new shares closed 10 to the good at 182p after a reasonably lively trade. In sympathy, Shell put on 6 to 354p. Outside the leaders, Siebens (UK) turned dull and gave up 8 at 346p, after 340p, while Oil Exploration also lost 8, to 644p, with Lasmo 2 off at 346p. CCP North Sea fell 6 to 187p and Gas and Oil Acreage closed similarly lower at 300p.

Trusts continued on a firmer bias. Among Financials, Mercantile House featured with a rise of 17 to 155p on small demand in a market none too well supplied with stock. Doubts about a successful counter-offer from Britannia Arrow left Dawnay Day 2 cheaper at 62p compared with the agreed bid of 60p cash per share from Hume Holdings.

In South African industrials, Tongaat improved 8 to 98p on reflection of near-doubled first-half profits.

Golds up again

In a generally firm mining section South African Golds continued to make progress despite a 50 cents fall in the bullion price to $409 an ounce.

Although demand for Golds was by no means as heavy as on Wednesday, it was sufficient to lift some heavyweights by ¼, as in Hartebeest, £21¾, and Western Deep, £12¼.

Medium and lower-priced issues showed gains of around 8 common to Grootvlei, 302p, Elsburg, 158p and Loraine, 139p. The Gold Mines index put on 2.1 more to 231.0 — its highest since October 10.

South African Financials were mixed. Gold Fields of South Africa stood out with a further ½ rise to a 1979 high of £26¼ as London buying outweighed Johannesburg profit-taking.

Transvaal Consolidated Land climbed ¾ to £14¼ on consideration of the chairman's forecast of a fresh advance in earnings for the current year to next September. Anglo American Corporation, however, fell 8 to 432p on profit-taking.

London Financials were much quieter than of late. Gold Fields ran out of steam after recent bid speculation, but eased only 2 to 346p. Charter were a penny harder at a 1979 high of 180p reflecting Press speculation of a possible bid from Gold Fields.

Australians moved ahead across a broad front. BH South were marked up to 195p, prior to closing a net 18 higher at 190p following news that Western Mining has increased the value of its takeover bid; Bond Corporation has offered to purchase for $A76m a 34 per cent stake in BH South from National Mutual. Western Mining put on 3 to 159p, while Bond held steady at 85p.

Elsewhere in Australians, Bougainville rallied 7 to 114p, while diamond exploration issues Ashton Mining and Northern Mining rose 4 apiece to 92p and 78p respectively.

The recent sharp rise in tin prices prompted a strong Far Eastern demand for Tins. Malayan and Southern Malayan both added 15 at 475p and 375p respectively, being also stimulated by the recently announced dividend increases.

Irish-Canadians were featured by persistent London and Irish interest in Northgate Exploration which climbed 35 to 365p. Anglo-United put on 10 to 180p and Barymin 2 to 67p.

FINANCIAL TIMES STOCK INDICES

—	Nov. 29	Nov. 28	Nov. 27	Nov. 26	Nov. 23	Nov. 22	A year ago
Government Secs.	64.53	64.55	64.56	64.09	64.48	64.61	68.50
Fixed Interest	65.55	65.56	65.49	65.45	65.60	65.56	69.98
Industrial	422.9	416.9	412.5	407.1	408.6	411.0	481.5
Gold Mines	231.0	228.9	215.9	219.7	215.1	216.6	194.5
Ord. Div. Yield	7.65	7.76	7.81	7.93	7.87	7.82	5.98
Earnings, Yld. % (full)	18.49	18.75	18.88	19.15	19.19	19.12	15.71
P/E Ratio (net) (*)	6.66	6.57	6.52	6.45	6.41	6.45	8.22
Total bargains	16,164	17,035	18,938	16,469	16,430	16,102	—
Equity turnover £m	—	64.05	80.42	71.95	73.95	82.90	62.69
Equity bargains total	—	10,399	10,677	11,276	11,420	11,896	15,532

10 am 418.1. 11 am 417.2. Noon 418.7. 1 pm 421.3.
2 pm 421.5. 3 pm 422.2.
Latest Index 01-246 8026.
*Nil = 6.41.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.21 (15/11)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.5 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	260.0 (2/10)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 29	Nov. 28
—Daily		
Gilt Edged	165.6	165.8
Industrials	102.8	115.6
Speculative	45.0	31.7
Totals	78.9	86.2
5-d'y A'vr'ge		
Gilt Edged	172.6	169.9
Industrials	103.5	100.4
Speculative	53.8	51.0
Totals	82.4	80.0

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (12)

BRITISH FUNDS (1)
Treasury 15pc 1985
FOREIGN BONDS (1)
Antofag. Rly. 5pc Pf.
INDUSTRIALS (1)
Applied Computer T.
SOUTH AFRICANS (1)
S.A. Breweries
TRUSTS (1)
Moolaya
MINES (7)
Grootvlei, Charter Cons., Elsburg, Gold Fields of S. Af., F.S. Saaiplaas, Peringa, Loraine

NEW LOWS (38)

LOANS (1)
Alcan 10½pc '89-94
[illegible]

LONDON TRADED OPTIONS

Option	Ex'rcise price	January Closing offer	January Vol	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	325	74	8	80	—	—	—	385p
BP	350	50	6	58	—	—	—	"
BP	375	32	33	42	19	—	—	"
BP	400	16	38	28	5	—	—	"
Com. Union	140	5	—	8	12	—	—	154p
Com. Union	160	3	—	5	—	—	—	"
Cons. Gold	280	79	66	90	1	100	—	347p
Cons. Gold	300	60	4	74	[illegible]	[illegible]	[illegible]	"
Cons. Gold	330	38	46	51	[illegible]	[illegible]	[illegible]	"
Cons. Gold	360	20	261	35	[illegible]	[illegible]	[illegible]	"
Courtaulds	70	11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	80p
Courtaulds	90	1½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	330	28	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	332p
GEC	360	11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	390	3½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	128p
Grand Met.	140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI	330	40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	363p
ICI	360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI	390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Land Secs.	300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	256p
Marks & Sp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	86p
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	355p
Totals			644		159		11	

Option (February / May / August)	Ex'rcise price	February	Vol	May	Vol.	August	Vol.	Equity close
Boots	180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	182p
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	128p
Imperial Gp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	76p
RTZ	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	305p
Totals			37		30		45	

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	24	6	56
Corpns. Dom. and Foreign Bonds	1	6	59
Industrials	311	122	868
Financial and Prop.	128	32	281
Oils	14	3	21
Plantations	1	3	25
Mines	41	23	65
Others	43	47	64
Totals	562	253	1,489

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thur., Nov. 29, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed., Nov. 28 Index No.	Tues., Nov. 27 Index No.	Mon., Nov. 26 Index No.	Fri., Nov. 23 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	212.03	+1.0	20.38	7.10	6.24	209.90	206.98	204.30	204.83	234.31
2	Building Materials (27)	206.25	+2.0	19.45	6.97	6.63	202.29	196.86	194.57	195.52	201.55
3	Contracting, Construction (29)	327.32	+0.4	28.20	7.33	4.39	326.01	323.50	320.54	321.13	372.85
4	Electricals (15)	555.64	+1.3	14.59	4.20	9.17	548.58	545.22	534.32	534.94	543.21
5	Engineering Contractors (11)	275.65	+1.0	28.13	9.21	4.55	272.96	269.82	267.87	267.59	372.59
6	Mechanical Engineering (74)	142.55	+0.4	23.50	8.97	5.30	142.03	139.82	138.29	138.80	183.28
8	Metals and Metal Forming (16)	139.34	+0.5	23.26	10.80	5.23	138.63	136.30	135.76	136.06	164.36
	CONSUMER GOODS										
11	(DURABLE) (52)	203.94	+0.5	18.14	5.90	6.84	202.86	197.95	194.88	196.71	206.27
12	Lt. Electronics, Radio, TV (15)	287.18	+0.2	14.08	4.38	9.11	286.64	277.96	272.52	275.10	256.25
13	Household Goods (14)	114.83	+1.4	26.36	9.33	4.59	113.20	112.78	112.86	112.75	172.48
14	Motors and Distributors (25)	101.54	+1.2	25.96	8.75	4.61	100.38	98.96	98.00	99.14	121.68
	CONSUMER GOODS										
21	(NON-DURABLE) (171)	209.50	+1.2	18.83	7.05	6.59	207.06	205.72	202.93	203.67	208.54
22	Breweries (14)	260.66	+1.2	16.91	6.23	7.04	257.47	254.42	252.17	252.58	226.33
23	Wines and Spirits (6)	315.16	+1.0	17.69	5.82	6.99	312.06	307.88	298.82	301.14	280.76
24	Entertainment, Catering (17)	275.93	+0.3	17.37	6.79	7.49	275.13	273.75	267.67	270.44	264.02
25	Food Manufacturing (19)	191.83	+0.9	20.54	7.56	6.01	190.10	188.01	185.79	186.39	205.38
26	Food Retailing (15)	286.39	+1.3	13.98	4.75	8.58	282.68	279.00	274.96	276.49	223.19
32	Newspapers, Publishing (12)	389.89	+1.0	24.35	7.47	5.67	386.12	379.36	376.71	378.81	368.22
33	Packaging and Paper (15)	115.19	+1.1	25.78	9.85	5.00	113.92	114.14	112.35	113.07	135.13
34	Stores (41)	199.65	+1.6	15.17	5.64	8.61	196.57	195.95	193.57	194.32	194.66
35	Textiles (23)	132.76	+0.8	27.79	12.17	4.55	131.69	131.94	130.84	131.15	178.29
36	Tobaccos (3)	209.56	+1.5	27.20	10.64	4.15	206.52	206.52	204.43	203.94	236.69
37	Toys and Games (6)	51.09	+0.6	32.04	14.02	3.94	50.80	51.06	51.06	51.21	96.14
41	OTHER GROUPS (98)	185.89	+0.9	16.79	7.15	7.26	184.18	182.20	179.92	180.07	196.30
42	Chemicals (18)	279.45	+1.5	17.38	7.03	6.64	275.23	273.03	270.30	269.11	278.58
43	Pharmaceutical Products (7)	198.04	+0.4	12.86	6.45	9.48	197.29	194.31	191.45	189.93	243.74
44	Office Equipment (6)	102.82	−1.2	19.41	8.20	6.43	104.04	102.32	101.45	102.21	137.20
45	Shipping (10)	406.87	+0.7	13.04	7.92	9.79	404.21	400.46	399.90	404.39	405.92
46	Miscellaneous (57)	213.05	+1.0	18.40	7.29	6.93	210.84	208.64	205.16	206.66	212.95
49	INDUSTRIAL GROUP (493)	210.59	+1.0	18.67	7.00	6.66	208.44	206.23	203.49	204.13	218.53
51	Oils (7)	763.29	+1.8	14.81	6.30	7.29	749.61	753.56	752.08	736.09	519.62
59	500 SHARE INDEX	254.01	+1.2	17.81	6.85	6.79	250.98	249.20	246.52	245.93	243.43
61	FINANCIAL GROUP (117)	173.14	+1.2	—	6.34	—	171.03	169.51	167.55	168.33	167.07
62	Banks (6)	208.89	+1.4	39.38	6.13	3.24	206.02	204.70	200.50	201.24	193.59
63	Discount Houses (10)	198.28	—	—	10.00	—	198.28	198.28	194.95	198.67	216.71
64	Hire Purchase (5)	155.91	—	22.72	5.58	5.57	155.91	154.55	153.73	154.43	147.63
65	Insurance (Life) (10)	149.82	+1.8	—	7.02	—	147.13	145.47	142.96	142.77	136.73
66	Insurance (Composite) (8)	115.49	+1.0	—	8.44	—	114.30	113.65	112.96	112.01	123.78
67	Insurance Brokers (10)	248.68	+1.3	20.05	7.85	7.13	245.44	246.42	244.31	245.45	322.38
68	Merchant Banks (14)	85.19	−0.3	—	6.99	—	85.47	84.84	84.66	85.96	77.41
69	Property (44)	301.97	+1.6	4.26	3.49	34.02	297.09	292.13	289.65	294.35	258.90
70	Miscellaneous (10)	116.47	—	16.31	7.77	7.98	116.51	114.91	114.89	116.18	108.17
71	Investment Trusts (109)	186.39	+0.8	—	6.51	—	184.89	182.46	179.61	180.33	206.82
81	Mining Finance (4)	148.35	+0.1	14.99	5.75	8.10	148.25	143.92	145.14	146.44	102.62
91	Overseas Traders (20)	314.94	+0.9	15.84	8.06	7.66	311.98	310.75	306.91	307.69	295.82
99	ALL-SHARE INDEX (750)	231.75	+1.2	—	6.74	—	229.10	227.22	224.79	224.68	222.56

FIXED INTEREST PRICE INDICES

	British Government	Thur., Nov. 29	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	100.34	+0.16	—	8.32
2	5-15 years	103.19	+0.03	—	9.47
3	Over 15 years	107.49	−0.04	—	12.28
4	Irredeemables	117.84	—	—	13.92
5	All stocks	103.37	+0.05	—	10.07

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Thur., Nov. 29	Wed., Nov. 28	Year ago (approx.)
1	Low	5 years	12.59	12.68	9.57
2	Coupons	15 years	12.76	12.76	11.48
3		25 years	12.93	12.93	12.16
4	Medium	5 years	14.79	14.84	12.02
5	Coupons	15 years	14.53	14.53	12.70
6		25 years	14.29	14.26	12.76
7	High	5 years	15.34	15.38	12.60
8	Coupons	15 years	14.95	14.95	13.24
9		25 years	14.59	14.57	13.28
10	Irredeemables		12.43	12.43	12.04

		Thurs., Nov. 29 Index	Yield %	Wed. Nov. 28	Tues. Nov. 27	Mon. Nov. 26	Friday Nov. 23	Thurs. Nov. 22	Wed. Nov. 21	Tues. Nov. 20	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	49.58	14.90	49.64	49.49	49.43	49.47	49.50	51.66	51.65	66.16
16	Investment Trust Prefs. (15)	46.00	14.62	46.00	45.81	45.81	45.51	45.43	45.15	44.84	51.16
17	Coml. and Indl. Prefs. (20)	61.14	14.68	61.11	60.85	60.55	60.61	60.88	61.06	60.70	71.85

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 14p, by post 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
BP	25p	9	386	+8	406	220½
Cons. Gold Fields	25p	8	346	−2	350	178
ICI	£1	8	363	+5	415	314
Rank Org.	25p	7	182	−4	300	180
Shell Transport	25p	7	354	+6	402	275
Western Areas	R1	7	247	+12	262	109
Allied Breweries	25p	6	80½	+1½	102	77½
English China Clays	25p	6	71	+3	100	67½
Euro. Ferries	25p	6	101	+3½	153	92
GEC	25p	6	342	+5	456	311
Marks & Spencer	25p	6	86	+1	134	83
Muirhead	25p	6	257	−8	303	200
Tarmac	50p	6	197	+8	217	154
Barclays Bank	£1	5	405	+5	514	350
Thorn Electrical	25p	5	314	—	482	296

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Nov. 26	Dec. 7	Mar. 6	Mar. 17
Dec. 17	Dec. 28	Mar. 20	Mar. 31
Jan. 7	Jan. 18	Apr. 10	Apr. 21

For rate indications see end of Share Information Service

Call options were reported in BP "new", MFI, GEC, LRC, Coral Leisure, Lonrho, Town and City, Pacific Copper, Premier Oil, Status Discount, Dunbee-Combex-Marx, Cons. Gold Fields, Coral Leisure, Westminster Properties, Geevor Tin, Parkland Textile, Dawson Trust, Gresham Investment Trust, Bambers and Briden. Puts were completed in Muirhead, ICI, MFI, Town and City and Bambers, while doubles were arranged in Town and City and Coral Leisure.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
363	[illegible]	[illegible]	182	150	B.P. 'New'	182	+10	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	110	101	Conder Intl.	108	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Link House 20p	165	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Rosehaugh 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R2	F.P.	[illegible]	131	118	‡SASOL R1	129	+5	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Stewart Nairn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fl.7.50	F.P.	[illegible]	[illegible]	[illegible]	Vitatron N.V. Fl.0.35	262	+2	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Amber Day 10½% Cum. Red. Pref. '99-02	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Bristol Waterworks 8% Red. Pref. 1984	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Cambridge Water 8% Red. Pref. 1984	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Dundonian 11¼% Cum. Conv. Pref.	[illegible]	[illegible]
$100	[illegible]	[illegible]	[illegible]	[illegible]	Hill Samuel Floating Rate Notes 1992	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	London Trust 13⅞% Deb. Stk. 2000-04	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mucklow A & J. 11¾% 1st Mt. Db. 2004-09	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Selected Market Trust Part. Red. Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Startrite Eng. 11% Cum. Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Wintrust 10½% Cum. Pref.	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
[illegible]	Nil	[illegible]	[illegible]	[illegible]	BH Proprietary	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cope Sportswear	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Duncan (Walter) & Goodricke	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Dundonian	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Hanimex Corp.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Ibstock Johnsen	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Laporte Inds.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	M. Y. Dart	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Newman Tonks	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	North Kalgurli	[illegible]	[illegible]
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Pancontinental	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡ Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt Inc. Tst.	103.5	109.5	.....	3.23
Abbey Capital	33.4	35.2	+0.3	5.82
Abbey Income	38.7	41.5	+0.1	8.95
Abbey Inv. Tst. Fund	31.7	33.9	+0.2	6.58
Abbey Gen. Trust	44.5	47.6	+0.3	5.68
Equitas Prog. Trust	66.4	70.0	+0.3	6.02

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	90.4	95.1	−0.4	12.96

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	68.6	73.6	+0.4	6.54
Brit. Inds. Fund	63.6	68.1	+0.5	5.99
Growth & Income	38.5	41.2	+0.3	5.83
Elect. & Ind. Dev.	34.2	36.6	+0.2	5.74
Allied Capital	69.3	74.2	+0.5	5.43
Hambro Fund	109.1	116.7	+0.6	6.50
Hambro Acc. Fund	131.5	140.7	+0.7	5.72
Income Funds				
High Yield Fd.	65.3	69.9	+0.3	10.03
High Income	62.9	67.3	+2.6	8.47
A. H. Eq. Inc.	37.7	40.3	+0.2	8.58
International Funds				
International	25.7	27.5	+0.1	2.92
Pacific Fund	37.3	39.9	+0.4	3.18
Secs. Of America	55.7	59.6	+0.2	2.35
Specialist Funds				
Smaller Co.'s Fd.	41.7	44.6	+0.1	5.04
2nd Smlr. Co.'s Fd.	51.6	55.2	+0.3	4.89
Recovery Sits.	102.4	109.6	.....	6.61
Met. Min. & C'dty.	47.9	51.3	+0.6	5.07
Overseas Earnings	55.0	58.9	+0.3	5.60
Exempt Funds				
Far East Exempt	43.9	45.7	+0.3	3.87

[illegible]

Craigmount Unit Tst. Mgrs. Ltd.
9/10 Foster Lane, EC2V 6HH 01-606 9262

High Income	36.6	40.0	.....	12.00
North American	50.6	54.9	+0.1	2.00
Canadian Exempt	51.9	54.8	.....	3.00
Canadian Trust	48.6	52.5	−0.1	2.85
Mid Mount High Inc.	43.5	45.8	.....	10.40
Recovery	43.7	47.6	+0.2	6.75
Gilt Trust	41.9	43.5	−0.1	9.94

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	24.5	26.5	.....	1.27
Cres. Internat'l.	56.6	61.0	.....	1.00
Cres. High. Dist.	39.1	42.1	+0.2	11.46
Cres. Reserves	39.8	42.8	+0.1	6.57
Cres. Tokyo	18.0	19.4	+0.1	1.00

NOTES

Prices are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. ⊘ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Nov. 16	174.9	186.6	.....	6.03

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square WC1A 2RA 01-623 8893

Great Winchester	17.1	19.2	.....	6.09
Gt. Winchester O'seas	19.1	21.5	.....	2.56

Emson & Dudley Tst. Mngmnt. Ltd.
20b Albemarle St., W1. 01-499 3211

Emson Dudley Tst.	67.9	72.6	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	69.5	73.1	+0.4	5.25

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	26.1	28.1	.....	2.33
Accum. Units	31.7	34.1	.....	2.33
J. Finlay High Income	31.0	33.3	.....	10.29
J. Finlay Euro.Fin.	23.6	25.4	.....	4.25
Accum. Units	29.1	31.3	.....	4.25
J. Finlay Fd. In. Tst.	27.4	29.5	.....	6.28

Prices on Nov. 28. Next dealing Dec. 5.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	47.4	50.4	.....	1.44
American Turnaround	47.4	50.4	.....	2.00
Capital Tst.	47.0	49.8	+0.4	5.44
(Accum. Units)	47.0	49.8	+0.4	5.44
Income Tst.	33.8	35.8	+0.2	8.91
Int. Growth Fd.	40.4	42.8	+0.2	2.34
(Accum. Units)	42.6	45.2	+0.2	2.34

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	43.7	46.7	+0.3	5.46
Do. Accum.	60.2	64.3	+0.3	5.46

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Nov. 22	102.0	102.7	.....	5.68
Gross Inc. Nov. 22	71.0	73.1	.....	11.35
High Yield Nov. 22	77.5	80.3	.....	10.71

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	97.9	104.1	.....	4.10
Do. Acc.	121.6	129.3	.....	4.30

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1979 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99½	95	Treasury 9pc 1980‡‡	98	+1/16	9.18	16.79
99⅛	95	Treasury 9½pc '80‡‡	97¼	+1/16	9.76	15.95
97	92¼	Treasury 3½pc '77-80	96xd	.....	3.65	11.34
97½	92⅞	Funding 5¼pc '78-80‡‡	96xd	.....	5.47	13.16
103	97½	Exchequer 13pc 1980‡‡	98	+1/16	13.22	14.85
102½	95	Treasury 11½pc 1981‡‡	96¼	+1/16	11.94	15.10
93¼	88⅞	Treasury 3½pc 1979-81	91½	.....	3.83	11.14
99	92	Treasury 9¾pc 1981‡‡	94	+1/16	10.36	14.71
96¼	89½	Exch. 8¼pc 1981	92½xd	+⅛	8.95	14.15
98	91¼	Exch. 9½pc 1981	92	+1/16	10.23	14.38
91¼	84¼	Exch. 3pc 1981	87¼	.....	3.44	11.30
96	94⅞	Treas. Variable '81‡‡	96	.....	17.25	18.89
104	95¼	Exch. 12¾pc 1981‡‡	96¼	+⅛	13.24	15.05
95	87¼	Treas. 8½pc '80-82‡‡	88	+¼	9.59	14.91
89	82	Treasury 3pc '82‡‡	84	.....	3.57	11.36
108⅝	97½	Treasury 14pc '82‡‡	98¼	+⅛	14.24	14.94
97	92	Treas. Variable '82‡‡	94½xd	.....	14.22	19.47
95¼	85¼	Treasury 8¼pc '82	86	+½	9.57	14.82
97⅞	86¼	Exch. 9¼pc 1982	87½	+⅛	10.61	14.97
95⅞	84	Exch. 8¾pc 1983	85¼	.....	10.20	14.59
86½	76¼	Exch 3pc '83	77½	.....	3.87	11.41
104½	90½	Treasury 12pc 1983‡‡	91	+½	13.03	15.26
95	90	Treas. Variable '83‡‡	91	.....	18.09	19.96
97¼	83	Treasury 9½pc '83	84	+¼	10.97	14.96
98	84	Exch. 10pc 1983	84xd	+¼	11.79	15.17
89	76	Funding 5½pc '82-84‡‡	77⅞	+⅛	7.10	12.69
97	86¼	Exch. 11½pc 1984	87½	+¼	12.33	15.31
77¼	69	Exch. 3pc 1984	69xd	.....	4.39	11.78
102¼	87¼	Treasury 12pc 1984	86¼	+¼	13.52	15.35

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS
Public Board and Ind.

Financial

1979 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
103¼	96	FFI 13pc 1981	96½	.....	13.47	16.25
103	94	Do. 14pc '83	94½xd	.....	14.86	15.97
[illegible]	77½	ICFC 5½pc Deb. '80-82	81	.....	6.89	14.54
85	69	Do. 6½pc Db. '81-84	71½xd	.....	8.74	14.40
93	85	Do. 10½pc Uns.Ln. '86	85	−½	13.00	15.50
[illegible]	85	Do. 11pc Uns.Ln. '88	85	.....	13.64	14.70
101½	84	Do. 11½pc Uns.Ln. '90	86½	.....	14.38	15.40
72½	56	Do. 7¼pc A Deb. '89-92	56½xd	.....	12.83	14.90
67	55	Do. 7½pc A Db. '91-94	56½	.....	13.23	14.90
80½	64	Do. 9pc A '91-94	66½	.....	13.95	15.10
76½	62	Do. 8pc Ln. '92-97	65	.....	14.33	14.90
101	55	Do. 12pc Uns.Ln 1992	83½	−½	14.36	14.80

FOREIGN BONDS & RAILS

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FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.
Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
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[illegible]

MINES—Continued

CENTRAL AFRICAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
420	132	Falcon Rh.50c.	410	+5	Q100c	ϕ	16.8
37	11	Rhod'n Corp. 16½p.	37	+1	0.56	6.5	2.2
165	70	Roan Cons. K4	115	—	Q0.125	ϕ	6.6
67	26	Wankie Col. Rh.1	61	+1	Q9c	1.5	10.2
19	9	Zam.Cpr.SBD0.24	13	+½	—	—	—

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	14	+1	—	—	—
16	4	ACM 20c	11	—	—	—	—
82	50	Bond Corp.	65	—	Q3.75	2.2	3.0
171	100	Bougainville 50 Toea	114	+7	†Q15c	1.0	6.9
212	84	BH South 50c	190	+18	♦	—	—
£14	340	Central Pacific	£12	—	—	—	—
318	170	Conzinc Riotinto 50c.	176	+2	NQ10c	2.0	3.0
36	14	Cultus Pacific N.L.	15	—	—	—	—
*29½	2½	Eagle Corp. 10c	17	—	—	—	—
21½	11	Endeavour 20c	15½	+½	—	—	—
165	62	G. M. Kalgoorlie 25c	136	—	Q3c	—	1.1
305	148	Hampton Areas 5p.	250	—	3.5	2.8	2.0
75	20	Haoma Gold N.L.	20	—	—	—	—
71½	25	Metals Ex. 50c	37	+2	—	—	—
220	134	M.I.M. Hldgs. 50c.	163	+2	bQ16.1c	1.8	5.2
25	15	Minefields Expl.	20	—	—	—	—
78	30	Mount Lyell 25c	56	+2	—	—	—
44	13	Newmetal 20c	15	—	—	—	—
167	91	North B. Hill 50c.	133xd	+2	Q12c	1.4	4.6
*341½	4½	Nth. Kalgurli	298xr	+21½	—	—	—
83	45	Nth. Mining Corp.	78	+4	—	—	—
71	18	N. West Mining N.L.	19	—	—	—	—
151	76	Oakbridge SA1	150	—	Q12c	4.7	4.2
110	22	Oilmin N. L.	97	+1	—	—	—
120	58	Pacific Copper	100	+4	—	—	—
*585	101	Pancont'l 25c.	250xa	−10	—	—	—
47½	15½	Paringa M.&Ex.5p	47½	+½	—	—	—
450	248½	Peko-Wallsend 50c.	330	—	tQ17.5c	ϕ	2.8
202	125	Seltrust A	130	—	—	—	—
530	145	Southern Pacific	465	+10	—	—	—
*33½	8½	Swan Resources 20c.	25	—	—	—	—

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

[illegible]

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

- * "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ⁑ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ⁂ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ⁑ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 38

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

[illegible]

OPTIONS

3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OIL & GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

120	56	Messina R0.50	105	+3	—	—	—

MISCELLANEOUS

81	54	Barymin	67	+2	—	—	—
14½	10	Burma Mines 17½p	12	—	—	—	—
365	178	Cons. Murch. 10c	315	+5	2030c	—	5.4
440	280	Northgate C$1	365	+35	—	—	—
362	226	R.T.Z.	306	+1	†11.5	3.4	5.4
31	12	Robert Mines	14	—	—	—	—
65	28	Sabina Inds. C$1	32	—	—	—	—
880	475	Tara Explor. $1	480	-15	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distributions and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♣ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☒ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ¶ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

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"Recent Issues" and "Rights" Page 38

REGIONAL MARKETS

[illegible]

OPTIONS

3-month Call Rates

[illegible]